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THE JERUSALEM POST

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ir force to act unless Syria ithdraws missiles, Begin vows

By DAVID LANDAU
nd DAVID BERNSTEIN
and Agencies

mier and Defence Minister hem Begin declared last night f the Syrians do not withdraw anti-aircraft missiles from ion "the Israel Air Force will ven the order to act.

nd when our air force acts," told some 2,000 wildly cheer- elegates at the Likud's Unity ention in Jerusalem, "it ves results."

s was the most plainly-spoken nent by Israel so far of its in- n to use force if necessary to dge the Syrian missiles, yed in Lebanon a fortnight

lier in his two-hour speech, premier assured the Likud ates that "a war with Syria will reak out, God forbid. I will ex- why in my Knesset speech rrow."

gin is to open the summer ses- of the House this afternoon a policy-statement on the nese crisis. Following that he neet with the U.S. special en- Philip Habib, who yesterday rred with President Hafez As- n Damascus.

Begin said Israel would accord "warm hospitality" to Habib who was "a most excellent man, perhaps the finest State Department official I have known." Begin noted that Habib was of Lebanese Christian origin. Israel would listen attentively to the American diplomat's report on his efforts to defuse the crisis in Beirut and Damascus.

"But let there be no doubt to anyone, either at home or abroad, Begin warned: if the missiles were not removed Israel's air force would attack them.

Israel and the U.S. were "entirely of one mind" about the need "for the Syrians to restore the *status quo ante*" in Lebanon, the premier continued. This had been expressed "in the clearest terms" by President Ronald Reagan in his letter to Begin last Tuesday.

Begin said he was not at liberty to quote directly from that letter. But his ministers, to whom he had read it aloud at a special cabinet session, had "almost jumped to their feet." They felt it was the friendliest and most supportive letter ever sent by an American president to Israel, he said.

In a reference to the situation on the Lebanon-Israel border, Begin said he "solemnly pledged to the nation: in a little while from now there will be no more Katyusha rockets falling on Kiryat Shmona." He had told the leaders of the northern township that they must be prepared to suffer "a little longer," but complete relief was in sight.

The policy of constantly initiating strikes against the PLO terrorists, which Begin said he had introduced a year or so ago, was proving effective and the terrorists were being badly mauled. Eventually they would be "utterly extirpated," he said.

Begin will spell out Israel's position on the Lebanese missile crisis when he addresses the Knesset plenum today, several hours before Habib's expected arrival in Jerusalem.

The prime minister refused to divulge any details of yesterday's cabinet debate on the crisis, which erupted when Syria moved several SAM-6 anti-aircraft missile batteries into Lebanon's eastern Bekaa valley after Israeli jets downed two Syrian helicopters in the area last week.

He told reporters after the 90-minute debate that anything he had

(Continued on page 2, col. 5)

Socialist leader Francois Mitterrand who was elected France's 21st president, casts his vote yesterday at the Chateau-Chinon town hall. (UPI telephoto)

Mitterrand triumphs in swing to left

PARIS. — Socialist challenger Francois Mitterrand defeated President Valery Giscard d'Estaign in yesterday's presidential election, taking power for the left in France for the first time in more than two decades.

Giscard conceded defeat just minutes after the last polls closed and soon afterward the Interior Ministry confirmed Mitterrand's victory. With about 55 per cent of the vote counted, returns showed Mitterrand ahead with 51.53 per cent of the vote to 48.47 for Giscard, a victory margin of at least 3 per cent. There were scenes of rejoicing at Socialist headquarters in Paris where party secretary Lionel Jospin called on supporters to go to the capital's Bastille Square to express their joy together. The result of the voting marked the biggest political upset in France since the Fifth Republic was created in 1958 by the late General Charles de Gaulle.

Since the general took over the presidency himself in 1959 and then proclaimed a constitution giving more power to the head of state than in any other western democracy, France has been ruled by centre-right or right-wing leaders.

Mitterrand, 64, himself came closest to upsetting the seemingly permanent domination of the right-of-centre coalition in 1974 when he also fought Giscard for the presidency following the death of *then President Georges Pompidou.*

At that time, when he failed by under two per cent, he had had the support of the powerful Communist Party from the start of the two-round polling.

This time the Communists, whose electoral alliance with the Socialists broke up in 1977, put forward party leader Georges Marchais as their own candidate in the first round two weeks ago.

But Marchais, who Giscard had argued would effectively control a Mitterrand administration, won only 15 per cent of the vote and switched his backing to the Socialist candidate without setting conditions.

Marchais told the Socialist Party chief in a congratulatory statement that "we are ready to take all our responsibilities."

Marchais did not indicate whether this meant he would press his demand for representation in a Mitterrand government, but told an interviewer, "There cannot be change without the Communists."

As news of Mitterrand's victory spread through Paris, tens of thousands of people appeared on the streets. Car horns blared amid chants of "Mitterrand-president, Giscard-unemployed."

Unemployment, at around 1.7 million people or some 7 per cent of the working population, was one of the major issues of the campaign. (Reuter, AP, UPI)

'ar rhetoric tolerable, ys Peres

By MARY HIRSCHFELD
Jerusalem Post Reporter

A. — Labour Party chairman on Peres charged yesterday the "government's public dis- on of a possible war with Syria hich has engulfed the whole try — is simply intolerable."

t he stressed that Israel cannot iesce to the presence of Syrian id-to-air-missiles in Lebanon.

aking to members of the Journalists Association, Peres asized that Israel must give special envoy Philip Habib's on — to which it consented — nce to work out a diplomatic on to the crisis. "This govern- is behaving as though war was kind of industrial product trying to peddle."

emier Menahem Begin com- d two serious mistakes in the nese question, Peres charged. ne was comparing the plight of ebanese Christians to the Jews

(Continued on page 2, col. 4

Begin flays Peres as 'liar'

Post Diplomatic Correspondent

Prime Minister Menahem Begin launched the Likud's election campaign in earnest last night with a blistering attack on Labour opposition leader Shimon Peres whom he accused, in effect, of lying.

"My friends," the premier declaimed to some 2,000 cheering supporters at the Likud's "Unity Convention" in Jerusalem, "is this man (Peres) fit to be prime minister, if he utters a false denial — and I won't use stronger language than that?" The Likud delegates packing the capital's Binyenei Ha'uma roared back their firm conviction that Peres was indeed not fit to be prime minister.

Begin for his part assured them that with hard work by all of them during the election campaign, Peres would remain in opposition for another four years "at least." He warned his followers against premature "euphoria" but noted with satisfaction that following a sustained Likud recovery the latest *(Jerusalem Post)* opinion poll had given both Likud and Labour 41 seats.

"If that happens, then I shall form the next government," Begin asserted confidently. He had received "an explicit promise from an important political party" that in the event of a close call between Likud and Labour that party would help Likud set up a coalition.

This was taken as a reference to the National Religious Party, which has always won between nine and twelve seats in Knesset elections.

The one-evening convention was initiated several weeks ago, when

(Continued on page 2, col. 5)

Panel is set up to supervise probes of West Bank settlers

By DAVID RICHARDSON
Jerusalem Post Reporter

Attorney-General Yitzhak Zamir has appointed a special committee to coordinate and supervise the investigation of Israeli settlers in the West Bank suspected of vigilante activities, assault and vandalism against local Arab residents.

Zamir's action follows a memorandum sent to him last July by 14 leading academic jurists at the Hebrew University and Tel Aviv University, including the heads of the law faculties, drawing his attention to a long list of incidents involving settlers which were, in their opinion, unsatisfactorily dealt with by the military authorities and the

(Continued on page 2, col. 4

More tax cuts due this week

By SHLOMO MAOZ
Post Economic Reporter

The fifth stage of the tax reductions introduced by Finance Minister Yoram Aridor is due to take place at the end of this week. A further stage is scheduled for the beginning of next month.

Treasury sources said that final discussions still have to take place as to the items selected for purchase tax reductions and the amounts of the price cuts, but *The Jerusalem Post* has learned of the main details.

Purchase tax on soft drinks will be reduced from 15-20 per cent to zero, carbon dioxide (used in the manufacture of soda) will be cut from 20 per cent to zero, beer from 30 per cent to zero, air-conditioners from 92.5 per cent to 60 per cent, car air-conditioners from 82.5 per cent to 60 per cent, fans from 37.5 per cent to zero. Discussions are under way regarding the possibility of abolishing the purchase tax on pianos, currently set at 27.5-32.5 per cent.

Mopeds with engines under 50

(Continued on page 3, col. 7)

Begin lauds Mitterrand's victory

Post Diplomatic Correspondent

Prime Minister Menahem Begin last night warmly welcomed Socialist Francois Mitterrand's victory in the French presidential election. "He is a true friend of Israel," Begin told delegates at the Likud's Unity Convention in Jerusalem. "I've known him for over 30 years."

Begin was informed of the French election result during the course of his two-hour keynote address to the convention. He announced the news to the 2,000-odd delegates, who responded with loud and sustained applause.

"He is a man we shall be able to

(Continued from page 1)

Social Democrats lose West Berlin

BERLIN (UPI). — Chancellor Helmut Schmidt's Social Democratic Party lost control of the West Berlin city government yesterday for the first time in 26 years in a municipal election.

Computer projections from West German television gave the opposition Christian Democrats 47.7 per cent of the vote compared to 38.5 for the Social Democrats and 5.2 per cent for the Free Democrats, the tiny coalition partner of the Social Democrats in Berlin.

Police amass evidence on grants to 'fictitious' yeshivot

By YORAM BAR
Post Police Reporter

The police believe they have sufficient evidence to charge several senior officials of the Religious Affairs Ministry with having transferred funds to fictitious yeshivot in return for various benefits, *The Jerusalem Post* has learned from a source close to the investigation.

In an unrelated step, the Knesset Law Committee yesterday put off for the sixth time a decision on whether to remove the immunity of Religious Affairs Minister Aharon Abuhatzeira so that he may stand trial on charges of embezzlement. The charges refer to acts allegedly committed when he was mayor of Ramle five years ago.

The reason for the delay this time — elections to the National Religious Party council, Abuhatzeira's party.

The police source said that the police fraud division continued its investigation of the Religious Affairs Ministry even after Abuhatzeira went on trial, along with aide Moshe Gabai and Rabbi Amram Korach, for receiv-

(Continued on page 2, col. 7)

Share prices drop over Syrian crisis

Post Finance Reporter

TEL AVIV. — Fear of an outbreak of hostilities with Syria was generally blamed for this year's second worse one-day fall in share prices on the Tel Aviv Stock Exchange.

Eighty-five securities were registered as "sellers only" and were automatically marked down by 5 per cent, without any actual trading taking place. Another 120 issues were traded with price drops of more than 5 per cent. Of these, no fewer than 86 individual securities were down by 10 per cent or more.

Trading turnovers were sharply higher and were just under the IS200 million mark. (See page 7)

tch FM arrives peace mission

-GURION AIRPORT (Itim). Dutch Foreign Minister stoph van der Klaauw, who ar- last night in Israel, said that he e with no peace plan or osals from the European Com- ity, but to study the problems the aim of finding a common in the search for peace.

equests to the state should specify a cause

The Jerusalem Post's ASHER WALLFISH, in the last of a series of articles, finds further anomalies in the distribution of money left to the State of Israel.

: ONE THING that appears ain concerning bequests to the is that money should never be for an unspecified purpose. ministrator-General Amnon n, who handles bequests to the was kind enough to talk to me nearly two hours, but he told me more than had already been lished in a succession of state hptroller's reports, which atedly found fault with the way uests are handled.

ly investigation has shown that e is a one-in-three chance that ney left to the state to handle as ees fit will be given to some hodox institution.

lum conceded that observant s are probably more likely to earmark their bequests for an observant institution and they therefore do not come within the purview of the Ministerial Committee. It is mostly the money left by non-observant testators which is shared out by the committee, according to a formula influenced by internal political factors, among others.

Blum refused to give me any precise facts or figures. I did not tell him that I had them anyway. He told me they had been secret in the past, but would not remain so, in future. I did not remind him that two years earlier, when he was pressed by a reporter of one Hebrew-language daily, he divulged some of those secret facts and figures in a selective manner.

He told me that when Israeli testators leave money to the state, they generally earmark their bequests. "Israelis tend to know what's what," he explained. On the other hand, the situation is different with foreigners. "Foreigners do not know the picture," he explained. "At the most they may specify some very broad sphere."

Blum told me that the *number* of local and foreign bequests each year tended to be equal, roughly speaking. He did not say whether the *amounts* of money from local and foreign sources were also equal.

"Non-earmarked moneys go for charitable purposes in the wider sense," said the administrator-general. Perhaps he was stretching "wider sense" to include IS 200,000 for recycling garbage in Yavne, and IS20,000 to enlarge the legal library at the Justice Ministry.

He assured me that there was no difference — "or maybe a tiny shade" — between the way non-earmarked bequests to the state were distributed before 1977 (under the previous coalition) and after 1977. Presumably former education minister Aharon Yadlin also channelled two out of every three bequest lirot to Orthodox institutions, as does the present NRP education minister, Zevulun Hammer.

ONE OF THE MATTERS about which the administrator-general agreed to talk was a complaint in the state-comptroller's 30th annual report, published last year, which by implication involved himself.

The section I was questioning was an excellent example of the meandering manner in which Israel's successive state comptrollers have often phrased their reports. Their officials, incidentally, are forbidden to interpret, explain or clarify esoteric passages.

Israeli bureaucrats, in general, tend to keep the public in the dark wherever they can. The state comptroller, one of this country's most valuable bureaucrats, is a master of the technique mentioned in tractate

(Continued on Page 5, Col. 1)

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CHICAGO	6	43	22	72	Rain
COPENHAGEN	10	50	20	68	Clear
FRANKFURT	12	54	25	77	Clear
GENEVA	6	43	23	73	Clear
HELSINKI	10	50	20	68	Clear
HONG KONG	24	75	25	77	Rain
JOHANNESBURG	6	43	17	63	Clear
LISBON	12	54	16	61	Clear
LONDON	13	55	17	63	Rain
MADRID	6	43	14	57	Rain
MONTREAL	11	52	18	64	Rain
NEW YORK	8	46	19	66	Rain
OSLO	10	50	20	68	Cloudy
PARIS	12	54	22	72	Cloudy
RIO DE JANEIRO	16	61	30	86	Clear
SAO PAULO	14	57	25	77	Cloudy
STOCKHOLM	9	48	18	64	Clear
TOKYO	17	63	21	70	Cloudy
TORONTO	10	50	14	57	Rain
VIENNA	9	48	21	70	Clear
ZURICH	6	43	17	82	Clear

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Two slain pilots of balloon identified as young Syrians

By HIRSH GOODMAN
Post Military Correspondent

The two pilots of a hot-air balloon who were shot down and killed after a short chase in South Lebanon on April 15 were Syrians, according to military sources here.

They were identified by members of the Palestine Liberation Front, now in Israeli captivity, after having attempted to infiltrate from Lebanon with motorized hang-gliders in March.

The two pilots, both under 19, were identified as Syrian nationals code-named Hakim, of Latakiya, and Rubiya, of Kamishli.

The pilots were trained with other members of the PLF at a Syrian army base near Homs, and were sent to Israel by their leader, Abu el-Abas, on the eve of last month's Palestinian National Council meeting in Damascus.

The infiltration attempt was seen as a bid by the PLF leader to gain recognition for his splinter organization and a place for himself on the executive.

According to intelligence reports, there were supposed to have been three in the balloon, but one refused to go on board minutes before launch. A picture of the three was found on the body of one of the dead pilots.

There are reports that Yasser Arafat and the Palestine Liberation Organization was not impressed by the attempt, which they described as a suicidal and empty gesture.

In an internal PLO communique, el-Abus is described as an adventurer willing to sacrifice young lives for his own personal political ambitions.

The three young pilots in the photograph, according to the PLF terrorists held in Israel, were nicknamed the "children" in the camp and never received active military training. The two said they were used for service duties and as kitchen boys, and that they were surprised to learn that they had been selected for the mission.

SETTLERS

(Continued from page one)

police.

The academics emphasized in particular the reorganization of the settlers into regional defence units consistent with Chief of Staff Rav-Aluf Rafael Eitan's policy of "hinterland defence".

"We view with special gravity the way in which civilians decide for themselves to go out on a quasi-military expedition at the end of which, once again by their own decision, they return to the ordinary status of civilians" the jurists wrote.

"Since the creation of the state," the memorandum continues, "the political character of the IDF has been maintained. Never has a group of believers and supporters of a single political creed been grouped together in one unit ... and never has the ideological uniformity of a group of soldiers been a criteria in the use of arms ... In fact ... arms have been employed towards ends which the army did not stipulate and which must be defined as political."

The lawyers also complain that many offences committed by settlers acting as individuals or as groups have not been investigated at all. "In those cases where there was an investigation the files were closed at an early stage because of local lobbying by the settlers with the police and the military government or on a higher level — in the Knesset or the government."

The memorandum refers to at least nine incidents involving alleged attacks by settlers on local Arabs, the most spectacular being the smashing of 120 windscreens and windows in El Bira by four settlers from Beit El on April 23, 1980. The settlers were detained while travelling in a vehicle equipped with an army radio. They have been brought to trial.

The memorandum also refers to an incident in spring 1979 when the West Bank military governor, Tat Aluf Binyamin Ben Eliezer, demanded that settlers from Ofra surrender their arms after a private policing raid against settlers in Ramallah and El Bira. The settlers refused.

"The settlers activated a government 'lobby,' primarily through two ministers who helped circumvent the military governor's orders," according to the memo.

The committee appointed by Zamir includes two representatives of the Justice Ministry, Yehudit Karp and Michael Kirsch, as well as representatives of the military government and the police.

'Vulture' film is confiscated

By MICHAL YUDELMAN
Jerusalem Post Reporter

The Film and Theatre Censorship Board last night confiscated a copy of the film *The Vulture* after determining that it had been screened without cutting four portions which the High Court of Justice had banned earlier in the day.

A Censorship Board official had seen the film in an early show at the Mitchell cinema in Jerusalem and found that the censored parts had not been deleted. He called the police who confiscated the film before the late show and the cinema's management returned money to those who had bought tickets.

Earlier in the day the High Court of Justice had rejected a petition to order the board not to cut the film.

"A bunch of functionaries decided for the entire public what to see and not to see, by stirring up the feelings of people who have not even seen the movie themselves," producer and script writer Yake Yosha said.

Screening of the controversial movie, which deals with those profiting from the glorification of the memories of Israel's war dead, began last month after it was approved by the board.

But Deputy Defence Minister Mordechai Zipori asked the Interior Minister to have the board reconsider the approval.

After hearing the comments of the Defence Ministry's memorialization department representatives, the chairman of the Bereaved Parents' Organization and bereaved parents (all of whom had never seen the film, according to the producers), the censors decided to order four short parts cut out.

POLICE AMASS

(Continued from page one)

ing kickbacks in return for infla[...] grants to religious institutions, [...] verdict is expected to be announ[ced] soon by the Jerusalem Dis[trict] Court.

In the last few months, the fr[aud] squad has questioned dozens [of] people, among them the head of [the] yeshivot department, Ra[bbi] Ya'acov Shaul, and the ministry [ac]countant, Yehoshua Klachin. [Also] questioned were former ministry [of]ficials and two of Abuhatzeira's [as]sociates, Rabbi Avraham Mog[...] and NRP deputy secretary As[...] Lazimi.

Jerusalem District Attor[ney] Michael Kirsch is examining [the] evidence concerning Mogr[...] Shaul and Lazimi to see whethe[r it] is sufficient to prepare a cha[rge] sheet against them, a source in [the] district attorney's office said. [The] source added that Kirsch took [part] in some of the fraud division's [dis]cussions of the affair, at the requ[est] of State-Attorney Gabriel Bach.

A police source said yester[day] that the current probe is not [con]fined to Abuhatzeira; it invo[lves] the allocation of tens of thousa[nds] of shekels to religious instituti[ons] around the country.

The fraud division, headed [by] Tat-Nitzav Binyamin Siegel, [has] checked ministry documents [con]cerning dozens of institutions, [and] believes that many of them are [fic]titious.

Also checked were lists of [stu]dents at yeshivot receiving mini[stry] grants.

Burg-Hammer fight today

By SARAH HONIG
Post Political Reporter

TEL AVIV. — National Religious Party factions are gearing themselves for a showdown in today's meeting of the party's national executive.

The meeting was scheduled to set the party's list for the June 30 Knesset elections. But this has been postponed until the verdict in the trial of Religious Affairs Minister Aharon Abuhatzeira, possibly later this week, and today's session will probably be devoted to the struggle between Interior Minister Yosef Burg's Lamifne faction and the party's "young guard" led by Education Minister Zevulun Hammer.

Members of the party said yesterday that "the situation is now one of all-out war, and for once it is clearly Burg versus Hammer."

In the background of the tension between the two factions is the dispute over MK Rabbi Haim Druckman. He formally left the party last week, but the young guard thinks he may be enticed to return and not run on his own if the party guarantees safe spots on the list for him and at least one of his supporters.

Efforts to arrange a compromise between Burg and Hammer have failed. On Independence Day Hammer met Burg at the Bible Quiz in Jerusalem and reportedly came away thinking Burg had agreed on a safe spot for Druckman and one other candidate to be agreed upon by Druckman and the other factions. But in a telephone conversation between the two ministers yesterday, Burg denied the existence of such an agreement. When Hammer warned that this attitude of the party leader's might split the NRP in two, Burg is said to have slammed down the phone.

LIKUD CAMPAIGN

(Continued from page one)

Likud's steadily improving performance in the polls had put it right back in the running. The event was intended as a show of unity and strength, and the exhilarated mood of the delegates, and of Begin himself, certainly served as an auspicious start for the Likud's campaign.

Formally, the convention marked the unification of the Likud's three factions, Herut, the Liberals and La'am: A "unification scroll" was read out, and all the Likud's top leaders signed their names to it.

The convention then went on to unanimously elect Menahem Begin Likud's leader, and to confer on him, if re-elected premier, the right to appoint Likud ministers without reference to their particular factions.

But the "unification scroll" itself disclosed the one key lacuna in the arrangement. "The Likud," it said, "will elect its legislative and executive institutions when the time comes."

The "time" will come only after the Knesset elections: for the moment, the three factions will continue to act independently and will nominate their allocated number of candidates to the Likud Knesset list.

Begin's Herut had indeed wanted to implement full unity right now, but the Liberals demurred, fearing that they would be swamped by better-known and more popular Herut people in the election of the Knesset list.

Begin's attack on Peres' credibility concerned that longtime bone of contention between Herut and Labour — the Altalena. Begin recalled that a decade ago Peres had come to his home ("we were good friends then") and had told him that Ben-Gurion had been "misled" regarding the Altalena and for that reason had ordered the IZL's arms ship to be sunk.

When Begin had mentioned this at the Knesset Foreign Affairs and Defence Committee last week, Peres had accused him of having "a selective memory."

"I could swear by everything that is holy and precious to me that I am telling the truth," Begin said. "But I'd rather not be so dramatic. So I suggest — indeed I challenge Peres — that we take 10 men-in-the-street, say chance passers-by in the Carmel Market, and ask them whom they believe if faced with conflicting statements: Shimon Peres — or Menahem Begin. Let's do it tomorrow."

The premier fired yet another withering barrage of bitter criticism at Germany's Chancellor Helmut Schmidt for his support of Palestinian self-determination. "No German, now or forever," Begin said, "has the moral right to advise Israel about an issue which the vast majority of Israelis regarded as crucial to their security. What do you want," he challenged Schmidt rhetorically. "That Hitler's work should be completed by his disciple (PLO chief Yasser) Arafat?"

It was a mistake to say that "the Nazis" had persecuted the Jews. "All the Germans" were guilty; they had all praised Hitler and supported him "so long as he brought them victories." There had been "no exceptions: the professors, the intelligentsia, all of them."

SOCIAL & PERSONAL

President Yitzhak Navon yesterday hosted at Beit Hanassi the participants in the World Bible Quiz for Youth, which took place on Independence Day.

An organizational meeting of the new English-speaking Jerusalem Lions club will be held at the Hilton Hotel in the capital at 8:30 this evening. Prospective members are invited.

The World Union of Jewish Journalists yesterday held a farewell party at Beit Sokolow in Tel Aviv for the Habimah Theatre, which will leave next week to participate in the Ninth International Theatre Festival in Baltimore.

BEGIN LAUDS

(Continued from page one)

approach." Begin said of the new French leader. "I hope we shall invite him soon, to visit Israel — and *he'll* come."

Begin noted pointedly that Mitterrand had said he would put a stop to France's supply of enriched uranium to Iraq if elected president.

The defeat of Valery Giscard d'Estaing "marks the end of a very sorry episode in the history of Franco-Israeli relations," Begin continued. "How we loved and admired them... and how they abandoned us." Let us hope that under Mitterrand this situation will change."

Opposition leader Shimon Peres also congratulated Mitterrand on his victory. The Labour Party chairman said it was he who had asked Mitterrand to act about French nuclear aid to Iraq.

Gov't concessions offered teachers

Jerusalem Post Reporter

Prime Minister Menahem Begin yesterday offered to start talks immediately with the teachers' unions on the implementation of the Etzioni Commission recommendations. But the union leaders, who will meet this morning in Tel Aviv, to discuss Begin's proposals, said they were unwilling to promise to refrain from sanctions or strikes until the end of the school year, as Begin had requested.

After meeting yesterday morning with Education Minister Zevulun Hammer and Finance Minister Yoram Aridor, Begin said the government was also willing to return the eight days' pay deducted from teachers' April pay cheques because of sanctions and strikes and to withdraw its appeal against the Jerusalem District Labour Court's ruling prohibiting the Voluntary Arbitration Board from discussing the unsigned teachers-government pay agreement reached two months ago.

The agreement, concluded after weeks of talks between government and teachers' representatives, awarded the teachers a 7.65 per cent pay rise defined as "wage erosion compensation" and retroactive to September 1980. But at the last moment, after intervention by Aridor and Attorney-General Yitzhak Zamir, the government refused to sign it, arguing it contravened the national wage agreement.

PERES

(Continued from page one)

during the Holocaust. "It's unrealistic and absurd," he said.

The other was promising them support without clearly defining Israel's commitment. "We can only aid Lebanon as any other nation would, morally, helping convince public opinion. We cannot fight their fight for them, as nobody fought ours, when the need arose." Israel should not create the impression that it's ready to do more than that, Peres warned.

Peres lashed out at Begin for "exploiting" his position to carry on electoral propaganda on television and "closing the route" to the Alignment. "On one side the government forbids any electioneering until 35 days before the polls, but on the other hand, during Independence Day alone, Mr. Begin is given the chance to make three major political speeches."

Peres accused Begin of giving the public "tendentiously wrong information." "Take the settlements issue, for instance. He claimed his government had raised 144 settlements when, in fact, only seven have been set up since May 1977, and there are seven others being built."

Uri Zvi Greenberg laid to rest on Mount of Olives

Uri Zvi Greenberg, the distinguished Hebrew and Yiddish poet, was buried yesterday on the Mount of Olives. Among the hundreds of mourners were his widow, poetess Aliza Tur-Malka, their sons Haim and David and daughters Batsheva, Rivka and Yocheved.

Also accompanying the coffin of the 87-year-old man of letters were President Yitzhak Navon, Prime Minister Menahem Begin, Ashkenazi Chief Rabbi Shlomo Goren, Knesset Speaker Yitzhak Berman, ministers, Knesset members, fellow writers and poets, ex-Lehi and IZL members and friends.

Greenberg's son, Haim, recited *kaddish* and Rabbi Goren intoned the *kaddish gadol*. At the deceased's express request there were no eulogies.

The funeral party made its way from Tel Aviv to the Jerusalem cemetery by way of David's Tomb on Mt. Zion — as Greenberg saw in King David his own "monarch and commander." Greenberg was a freeman of Tel Aviv and the municipality undertook the funeral arrangements. Mayor Shlomo Lahat, city councillors and other community leaders accompanied the cortege.

Although no eulogies were delivered, the prime minister, Foreign Minister Yitzhak Shamir, MK Geula Cohen and other former underground fighters recalled of Greenberg's poems, which they had read and sung during the pre-state period.

Sonia Ahimeir, widow of Revisionist leader Abba Ahimeir, said of her late husband and Greenberg, who together headed the anti-British group "Brit Habiryonim": "They dreamed of a complete Land of Israel...They were extremists, and even Jabotinsky, who greatly admired them, did not always agree with their ideas and actions...Were my husband alive today he would not be happy with the state of the country, likewise Uri Zvi, who was bitter and discontented. This is not what they dreamed about."

AIR FORCE

(Continued from page one)

to say on the crisis would have to wait for today's Knesset statement.

Habib's meeting with Assad in Damascus yesterday was similarly shrouded in secrecy. It appears, however, that little progress was made during the four-hour meeting, which was described as "tense."

In an official statement, Syria said yesterday it had drafted a comprehensive strategy to face any Israeli attack on Lebanon and the Palestinians. The statement said Defence Minister Mustafa Tlas told an extraordinary cabinet session that measures had been taken to reinforce the confrontation with the enemy. It did not specify what the measures were.

Syria certainly gave no indication of moderating its position and both the press and Syrian leaders reiterated that the missiles were in Lebanon for legitimate defensive purposes and would not be withdrawn.

Israel, for its part, continues to view the missiles' presence in Lebanon as an aggressive act and an unacceptable infringement of the strategic status quo in Lebanon.

Whatever was discussed behind the tightly closed doors in Damascus, Syria made no secret of the belligerent mood now prevailing, and Soviet-supplied MiG fighters circled the Syrian capital in an undisguised show of strength as Assad and Habib were meeting.

Talking to newsmen immediately after the meeting, Habib said he had delivered a message to Assad from President Reagan and then had "a full exchange of views" with him.

KLARSFELD PICTURE

The picture in yesterday's People in the news column was that of Nazi-hunter Serge Klarsfeld, and not of French Budget Minister Maurice Papon.

In sorrow and pain we mourn the untimely passing of our beloved

MIRIAM ANTEBI

née Moisais

The funeral took place yesterday, Sunday, May 10, 1981, at the Holon cemetery.

The Bereaved: Her husband: Shaul
Her mother: Henriette
Her son: Dori
Her daughter and son-in-law: Shelly and Zvi Liraz
Her brother: Raphael and his family
Granddaughters: Adi, Nota, Sharon and Keren
Antebi Families

We announce in deep sorrow the passing on May 10, 1981 of our beloved

MAX (Moshe) SCHWARTZ ז"ל

formerly of New York

The funeral took place on the Mount of Olives in Jerusalem.

His children: Alvin and Lilly Schwartz, Kingston, PA.
Leo and Margaret Schwartz, Ramat Gan
His grandchildren, and the family in Israel and abroad

We deeply mourn the passing of

Senior Engineer

RICHARD G. PACOVSKY

and extend condolences to the family.

"Bar-Kochba" "Theodor Herzl"
Prague

On the first anniversary of the death of

HERZL ZUCKERMAN, O.B.E.,

his family and friends will gather at his grave at Kiryat Shaul on Thursday, May 14, 1981 (Iyar 10, 5741) at 4 p.m.

The Family

We will meet at the main gate of the Kiryat Shaul cemetery, Tel Aviv.

We share the grief of
Liz and Family
on the untimely death of

JERRY KLARISTENFELD

The Council for a Beautiful Israel

Sincere condolences to
Mrs. Esther Elefant
on the passing of her dear husband

JULIUS ELEFANT

Central Library for the Blind and Physically Handicapped, Netanya

Opens Today

International Exhibition

ENERGY 2000

ENERGY 2000

Sources ★ Utilization ★ Conservation

Under the auspices of the Ministry of Energy and Infrastructure

MAY 11-14, 1981 (visiting hours: 10.00 a.m.-8.00 p.m.)

Tel Aviv Fairgrounds

What's at the Fair?
- Solar energy
- Coal and its uses
- Nuclear energy
- Use of waste
- Use of marginal heat
- Wind power
- Generators
- Steam generators
- Electric power generation
- Electric motors
- Control instrumentation, energy measurement and monitoring
- Batteries and accumulators
- Internal and external lighting
- Central heating and air conditioning
- Building insulation, draught exclusion
- Research and development

Energy: Get to Know it... At the National Pavilion, Ministry of Energy & Infrastructure

* Like to measure the energy stored in your body?
* What do you know about petroleum, coal, nuclear energy, wind power, oil shale...?
* How much energy is stored in a uranium pellet the size of an aspirin tablet?
* How is electricity generated?
* When will world petroleum reserves run out?
* Where and how much gas is produced in Israel?

The answers to these and other questions are given by an exhibit in the National Pavilion, which shows our sources of energy.
Plus —
* A model showing the Mediterranean/Dead Sea Canal scheme
* Advice bureaux for energy saving

THE ISRAEL TRADE FAIRS CENTER

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هكذا من الأصل

bour weighs change in campaign leaders, tactics

By SARAH HONIG
Post Political Reporter

AVIV. — Talks were con- on the highest levels in the Party over the past holiday nd concerning possible ment both of the party's et election campaign zation and its information ef-

y leaders met to explain the surge forward of the Likud he simultaneous drop of in the public opinion polls. est polls brought to the sur- riticism within the party of e campaign is being managed o accentuated internal con-

paign manager Aharon yesterday denied that there een talk of replacing him. ver, *The Jerusalem Post* that while there had been licit talk of replacing Harel, r. Chairman Shimon Peres ggested that former chief of lordechai Gur be co-opted to ion headquarters as hing of a chief of staff" of the entire Alignment election effort. This would have meant serious undermining of Harel's position, if not an outright expression of no confidence. The plan was shelved following Harel's vehement objection, and his resignation threat, *The Post* was told.

The Labour campaign already has a chairman, Michael Bar-Zohar, and Harel as manager. The functional division of authority between them is not clear and they are reported not on good terms. Following much criticism about how the campaign headquarters is operating, Peres reportedly sought to put yet another figure at the helm, with the idea of placing *de facto* authority in his hands. But Gur turned down the idea if it did not mean naming him clearly as boss.

Ihud Kibbutz movement secretary Moshe Harif is likely to be appointed information drive director to "aid and bolster" the efforts of drive chairman Chaim Herzog, who remains in charge after the recent resignation of MK Yossi Sarid. This is seen as entrusting Harif with the everyday *de facto* management of the information campaign, which has come under strong criticism inside Labour and Mapam in recent weeks.

The Dahaf public relations agency ads had been judged by many in the Alignment as counterproductive. There has also been discontent with the fact that agency head Eliezer Zorabin continues to invoke slogans of national consensus, whereas the Labour campaign headquarters seeks to stress the differences between the parties. Party sources said that Peres summoned Zorabin to his home on Saturday night to tell him that unless he toes the Labour line, the party will find ways of backing out of its contract with Dahaf. The feeling is that while Zorabin's services will not be dispensed with, his role in the campaign will be reduced.

Party pundits say the whole tone of the Labour campaign is likely to change, predicting that it will become more aggressive with caustic, possibly personal, attacks on Prime Minister Menahem Begin. Up to now Labour sought to avoid a personal tone, for fear that the Likud might resort to the same tactic. Labour reportedly has given up on the votes of Oriental Jews, in the belief that most of the floating voters are Ashkenazis and veterans in the country. The campaign is now likely to stress old-time themes, such as "the historic battle between socialism and revisionism."

One indication of Labour's mood was an announcement of a gathering of campaign headquarters workers from around the country in Binyenei Ha'uma tonight. The announcement promised that Peres would "scathingly criticize" the prime minister. The party candidate for finance minister, Prof. Haim Ben-Shahar, will be another speaker.

The party sought to have former prime minister Yitzhak Rabin at the gathering to demonstrate that the rift in Labour had been healed. But Rabin refused to delay his trip abroad, turning down an offer that the party pay his way from the U.S. and back for just one day in order to address the rally.

An exuberant member of the Jerusalem Theatre Workshop shows a delighted crowd at a Jerusalem Spring Festival street performance how to prepare honest-to-goodness, home-made — and imaginary — ice cream. (Rahamim Israeli)

Eilat's beaches hit hard over Independence Day

EILAT (Itim). — Heaps of garbage, smashed water taps and burned-down wooden fences are all Eilat has to remember of Independence Day and the weekend after it.

Eilat tourism officials still don't understand why the Independence Day crowd did so much more damage to the city's beaches than did the larger crowds over the longer Pessah holiday.

The wooden fences on the beach were uprooted and burned to grill meat. Underground irrigation pipes were torn out of their beds. Special showers put up on the beach for the holiday crowd were broken, and the city's expensive desalinated water was used to wash cars. Cars were parked on the paved beach promenade and the sand was dirtied with garbage and the remains of bonfires.

Eilat tourism officials tried to restrain the crowd but got little response. In many cases they were cursed and told to go away. In three instances the officials called the police who said the vandals will be prosecuted.

CHEAPER

(Continued from page one)

cu.cm. will be cut from 37.5 per cent to 20 per cent. On the other hand, a new category of motor-scooters will be created to differentiate between them and the larger motorcycles. The intention is to reduce the purchase tax on scooters from 87.5 per cent to 45 per cent with a more moderate drop for motorcycles. At present the only distinction is between motorcycles with engines larger or smaller than 50 cu.cm.

Next month's reductions are expected to include an additional cut in the taxes on refrigerators, television sets and freezers, as well as some other items yet to be affected by any substantial reductions.

An examination of state revenues figures by economist Esther Abrahamson shows that the March tax cuts found expression solely in the wholesale price index, for example, a drop of 17 per cent in the price of mattresses, 14 per cent for plywood, 6.2 per cent for toys, 6.4 per cent for records.

However, the consumer price index showed a rise of 2.3 per cent for mattresses, 0.8 per cent for toys and 1.6 per cent for records. There were decreases in the price of sewing machines, irons, pocket calculators. The Treasury expects the reductions to feature in the consumer price index for April, due to be announced on Friday.

segment on Brigade ailed by veterans' chief

erusalem Post Reporter

VIV. — The television series *of Fire* was criticized yester- r its "cavalier" treatment of orld War II Jewish Brigade. ng at a press conference in okolow, former chief of staff resident of the Israel War ans Association, Haim , said the segment was filled alf-truths and failed to give to the brigade for actions per- l in Italy and elsewhere in

press conference had been to hear the association an- its coming conference on 4 at Beit Hahayal (soldiers' and recreation centre) in Tel Some 700 members, including former Jewish Brigade volunteers from Britain, Canada and Australia, are to take part in the conference. Among the matters it will discuss are the setting up of an assistance fund and the building of a home for the association's aged members.

Also at the press conference, Prof. Yoav Galbar exhibited the second book of his four-volume work, *Sefer Hahitnadvut*, on the struggle of the Jewish soldier to fight under his own flag.

The second volume deals with the period between 1942 and 1945, and focusses on the crucial role of Winston Churchill in setting up the Jewish Brigade despite opposition within the British military and political establishment.

Arab students found guilty of anti-Zionist incitement

By BENNY MORRIS
Jerusalem Post Reporter

Three Arab students were yesterday found guilty by the Hebrew University disciplinary board of charges of anti-Zionist incitement in a leaflet distributed on campus on April 7.

Lutfi Abu El-Hija, who is doing an M.Sc. in molecular biology, from Tamra, Ghanem Mesalha, a first year student of Arabic and Hebrew literature, from Dabburiya, and Muhammed Zrayer, from Majd el-Kurum, will probably be sentenced later this week. Dr. Pinhas Schifman, in charge of discipline at the University, is expected to hand down severe sentences.

Abu El-Hija has over the past fortnight repeatedly failed to obey a university summons to appear before the board and has apparently gone into hiding or crossed the border into an Arab state.

Mesalha and Zrayer were last week released from custody by police after being interrogated for 10 days regarding the leaflet and their wider political activities and connections.

Abu El-Hija and Mesalha are members of the Hebrew University's Arab Students Committee, which is controlled by the Progressive National Movement, the student faction of the radical Ibna el-Balad (sons of the village) movement.

The leaflet, entitled "For the sake of a glorious future, for our Palestinian Arab nation," was produced by members of the Arab Students Committee and distributed among Arab high schoolers who had come to the campus to take university entrance examinations.

The thrust of the pamphlet is the need to "liberate" the "entire territory of (the Palestinians') national land" by all means "political... military and...scientific" from the grip of "Zionism...fascism... imperialism," and to come to the struggle well-educated and equipped with the fruits and "weaponry of science". While enjoining the Arab pupils to enrol at the university to prepare them for the "struggle," the leaflet accuses the university of being "racist" and of abetting "fascist gangs" who attack Arab students.

to sentencing for election bribes today

Post Police Reporter

Jerusalem Magistrates' will today hand down e against MK Samuel Flatto and his aide Jacques dis who were both convicted tion bribery.

maximum penalty for the of- is five years imprisonment. osecution has asked the court ose a "long term" on Flatto and a shorter term on dis. After the sentence is pas- Justice Ministry will start ng France's request to extradite Flatto Sharon to serve a prison term for fraud in France.

One person went on trial yesterday for allegedly telling police she had been paid IL150 to vote for Flatto but later saying in court that she had been asked to work for Flatto Sharon's list without any mention of pay for her vote. Dina Bamni is accused of perjury. In her trial at the Tel Aviv District Court yesterday, the prosecution presented the discrepancies between her statement to the police and her later testimony in court.

Ofira Navon leaves for Bonds tour of U.S.

Ofira Navon, wife of President Yitzhak Navon, left yesterday for a lecture tour of the U.S. at the invitation of the Israel Bonds organization. Mrs. Navon will address gatherings in New York, Philadelphia, Chicago and Los Angeles and will also participate in an aliya meeting in Chicago.

Court upholds adoption over mother's plea

The Supreme Court recently rejected a mother's appeal and ruled that two of her children may be adopted. Her past neglect of all four of her children, the court said, made it highly unlikely that she would succeed in giving them a proper home.

In 1977 the woman, a Haifa resident, left her husband, daughter and two small boys, aged one and two. The father failed to take care of them, and they would have died had it not been for the attention of a social worker. The children were placed in foster homes or institutions, and were visited by the mother infrequently. Two years ago she stopped visiting altogether.

The mother took up with another man after she left her family, and had a daughter by him, which has also been placed in an institution. She left him, too, and for the last two years has been living with another man 33 years her senior, who does not want the children.

The Haifa District Court recently approved a request for the two young boys to be adopted, over the mother's objections. She appealed to the Supreme Court, which failed to accept her declared intention of turning over a new leaf. (Itim)

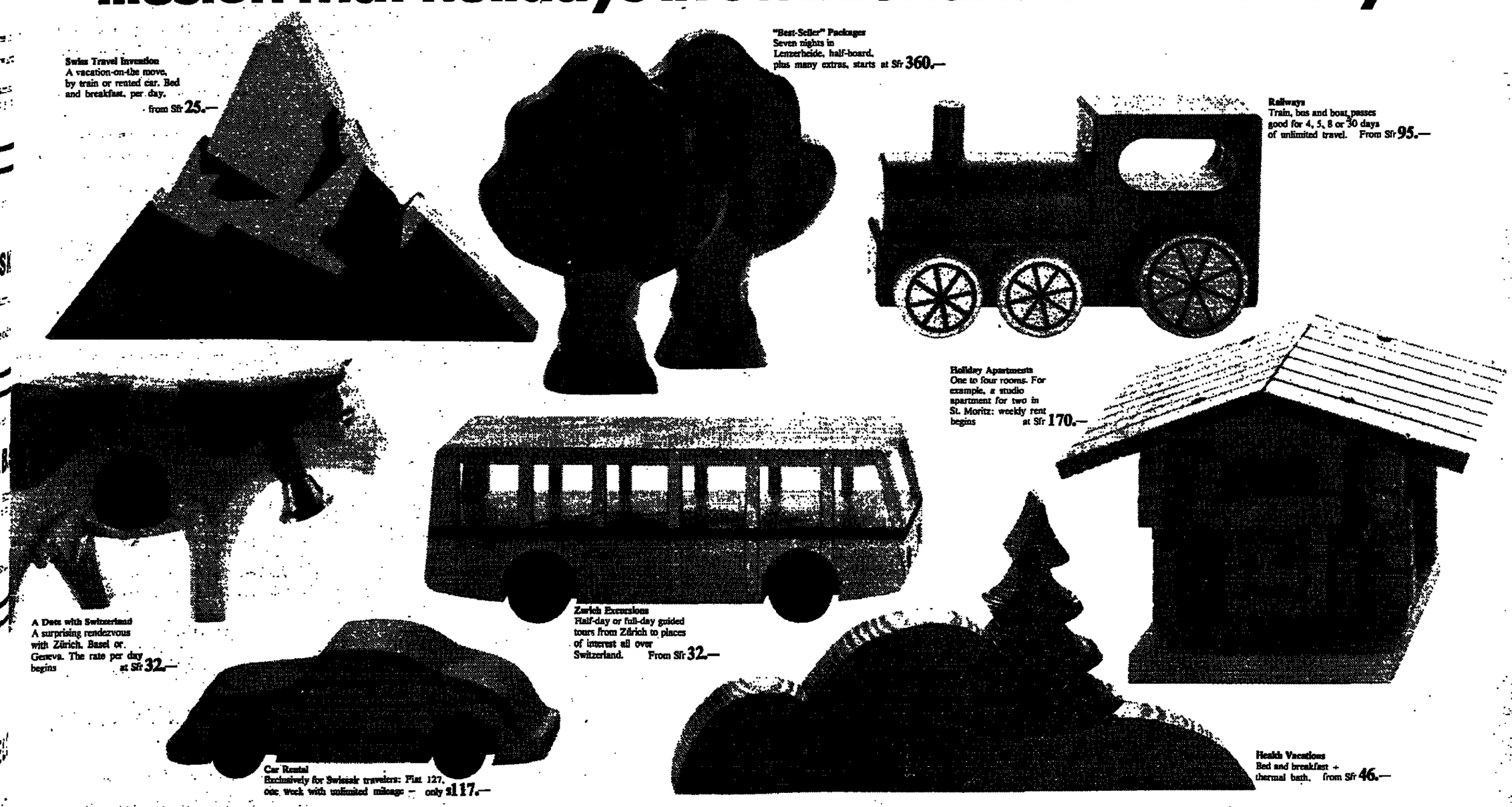
Foreign lotteries forbidden Israelis

Post Economic Reporter

Games of chance do not constitute "the import or purchase of services," the controller of foreign currency at the Bank of Israel, Yosef Sarig, has determined. Thus, Sarig says, the general foreign currency permit does not allow an Israeli citizen to buy lottery tickets abroad or transfer funds in order to take part in gambling activities such as lotteries and football pools.

Sarid's directive, which has been transmitted to local banks, was prompted by the appearance in local newspapers of advertisements inviting Israelis to participate in a German lottery.

Swissair hopes this won't deprive you of the illusion that holidays in Switzerland are a luxury



If you tell your friends you're planning holidays in Switzerland, they're likely to chorus, what a luxury! True enough so far as the quality of the hotels and restaurants goes, the wealth of sports opportunities, the unique variety of landscapes and of the innumerable tourist services.

But untrue as regards prices. Look at the following examples:

Railways and Car Rental. Europe's most surprising rates. Rail and boat passes for unlimited travel anywhere in the country, and 50% discount on mountain railways and chair lifts.

Holiday Apartments. For two to six persons. Modern furniture, dishes, cutlery and kitchen utensils are all included. Rent for a week, two or three — a luxury vacation at a low, low price.

"Swiss Travel Invention". A vacation-on-the-move, in cooperation with 237 hotels in five grades. Reserve your first night — then plan day to day. (We'll be glad to help you plan your route.)

Health Holidays. Come back young, healthy and refreshed from Switzerland's renowned health resorts: Baden, Zurzach, Bad Vulpera, Bad Ragaz. Therapeutic baths and treatments under medical supervision.

"Best-Seller" Packages. Seven nights with a fine Swiss flavor: shows, excursions, sailing, sports, and lots of surprises.

A Date With Switzerland. Visit Zurich, Geneva or Basel for a day — or two, or three. A basketful of goodies: free transportation, entertainment and adventures.

Phone your travel agent or your nearest Swissair office: Jerusalem, 225233; Tel Aviv, 243350; Haifa, 84655. We'll bring Switzerland to your mailbox, with four colorful, inviting brochures.

Representative of the Swiss National Tourist Office.

1931 1981

swissair

U.S. to seek NATO help to defend Persian Gulf

LONDON (Reuter). — U.S. Defence Secretary Caspar Weinberger will ask the West European allies this week for more help in defending the Persian Gulf, possibly including an international strike force, a senior Pentagon official said yesterday.

The official, who asked not to be identified, said the Reagan administration's plans for the U.S. Rapid Deployment Force (RDF) would be a major topic at the North Atlantic Treaty Organization meeting which begins tomorrow in Brussels.

Weinberger stopped here overnight en route to the talks.

The official said Weinberger would tell the allies the new plan to create an independent command for the force would not in any way dilute the U.S. commitment to Western Europe or its ability to defend NATO in case of Soviet attack.

Weinberger also will say that Washington is trying to bolster U.S. military strength in the oil-producing region but that "we don't believe we can do it alone," he said.

He said Washington would be seeking more allied help to defend a region that provides a larger share of European than of U.S. oil supplies, and that it could conceive of a new multinational quick-strike force being established.

But he added this did not mean the possibility of such a force would be discussed by the defence ministers in Brussels or that, if one were created, it would necessarily be part of NATO.

Prime Minister Margaret Thatcher said in February after meeting President Ronald Reagan in Washington that Britain would be willing to participate in an international force for the Gulf.

The U.S. administration, before deciding on an independent command last month, had considered shifting the RDF headquarters from Florida to West Germany.

The force was created by then-President Jimmy Carter in 1979 in response to the crisis in Iran and Afghanistan.

But the senior official who briefed reporters travelling with Weinberger said some allied leaders — he did not say which ones — feared this would dilute Washington's military commitment to NATO defence.

Mugabe complains of Pretoria's 'bullying'

SALISBURY (AP). — The Zimbabwean government will defend itself with "the utmost vigour and determination" against South African threats to mount raids on alleged guerrilla bases in this country, a government spokesman said on Saturday.

The government also said that South Africa is preparing to invade neighbouring Zimbabwe as part of a plan to destabilize independent black states in southern Africa.

The government also disclosed that Prime Minister Robert Mugabe has written a letter to U.S. President Ronald Reagan complaining about the "bullying tactics" of South Africa, the last country in Africa governed by a white minority.

Home Affairs Minister Richard Hove, speaking at a news conference Saturday, denied South African claims that Zimbabwe harbours guerrillas of the African National Congress — a black nationalist movement pledged to end white rule in South Africa.

Bombs hit N. Ireland police station

BELFAST (Reuter). — A police station near Northern Ireland's border with the Irish Republic was shelled by mortar bombs on Saturday night, police said.

Two soldiers were slightly injured in the attack, at Rosslea in the southwest of the British-ruled province. The bombs were launched from a truck parked about 300 metres from the police station.

The terrorist Irish Republican Army (IRA) claimed responsibility for a similar attack the previous night on a joint army-police post near the border.

In Belfast, the scene of street riots since the death of jailed IRA hunger striker Bobby Sands last Tuesday, police reported only scattered violence on Saturday night.

QUAKE. — An earthquake, measuring about 4.2 on the Richter scale, jolted the Sarajevo area in central Yugoslavia's Bosnian mountains yesterday but police said it caused no damage or casualties.

Proposals to end Gulf war 'encouraging,' says Iran

TEHERAN (Reuter). — A non-aligned peace mission yesterday suggested ways to end the seven-month-old Persian Gulf war, and an Iranian Foreign Ministry spokesman described the suggestions as "encouraging and worth considering."

It was the most positive Iranian assessment of peace efforts in nearly a month.

But at the same time, Iranian state radio said in a commentary that Iran should not negotiate with Iraq. In addition, Behzad Nabavi, chief government spokesman, told a press conference the mission was here "to study the aggression" of Iraqi President Saddam Hussein.

The mission, comprising the foreign ministers of Cuba, India and Zambia and a Palestine Liberation Organization (PLO) representative, had a 90-minute meeting with Iranian President Abolhassan Bani-Sadr soon after flying in from New Delhi.

Although suggestions the mission put forward were not disclosed, the Foreign Ministry spokesman said they were encouraging and worth considering. Cuban Foreign Minister Isidoro Malmierca said the mission was pleased with the result of the talks.

"The atmosphere of the talks was very encouraging and will help us to continue our efforts for finding a solution to end the war," Malmierca told the official news agency Pars.

Bani-Sadr will take up the mission's proposals at the next meeting of the Supreme Defence Council, whose reply was expected to be announced within two days, Pars added.

The state radio also said that at the same time as the mission set foot on Iranian soil, Iraqi artillery pounded Ahvaz, capital of the oil-producing province of Khuzestan, killing an unspecified number of civilians.

Poles view banned books at unprecedented exhibit

WARSAW (UPI). — An independent publisher yesterday opened a week-long exhibit of previously censored books, including George Orwell's *1984* and the works of Alexander Solzhenitsyn, in the most stunning example yet of liberalization by Polish authorities.

"It is unbelievable," said Miroslow Chojecki, director of the independent publishing house Nowa." One year ago at this time I was under detention for publishing books independently."

About 100 people showed up at a hall on the campus of Warsaw Technical University yesterday morning for the start of the week-long book exhibit.

Polish authorities granted Chojecki permission to hold his exhibit and plan to allow the sale of some previously censored books on the final day of the show.

The Polish parliament is reviewing a bill, submitted by a special commission of journalists and intellectuals, to ease government censorship. That bill is expected to be passed next month.

Defection of Soviet pilot linked to CIA

TOKYO (UPI). — The defection of a Soviet pilot in a top-secret MiG-25 Foxbat jet fighter five years ago was engineered by U.S. CIA agents in Moscow, news reports said yesterday.

Japan's Kyodo news agency, quoting intelligence sources, said the Central Intelligence Agency masterminded the flight to freedom of Lt. Viktor Belenko, who flew the sophisticated Foxbat to the northernmost main island of Hokkaido.

The aircraft, which flies at three times the speed of sound, was described by then U.S. defence secretary Robert Seamans as "probably the best interceptor in production in the world today."

Despite vehement protests and demands by the Kremlin for its immediate return, the aircraft was not shipped back by sea until two months later after it was taken apart for photographing and careful examination by U.S. Air Force experts.

Belenko, Kyodo said, was approached by an agent of the British intelligence service in a Moscow bar in October 1974.

For two to three months after that initial contact, Belenko held secret meetings with western spies, including CIA agents, until his transfer to the Soviet Union's Far East base in Sikharovka.

In return for flying a MiG-25 in perfect condition to Japan, Belenko was guaranteed by the western agents "a protected, free life in the United States," Kyodo said.

Last September, the U.S. Senate Judiciary Committee passed a special bill making Belenko an American citizen. The Senate panel cited the defector for contributing to the U.S. a MiG-25 and other information estimated to be worth more than $5 million.

'The Charles tapes' published down under

MELBOURNE (UPI). — Transcripts of alleged taped telephone conversations between Prince Charles and Lady Diana Spencer when the prince visited Australia recently were published in a newspaper yesterday.

The Melbourne-based *Sunday Observer* appeared with a front page banner headline *The Charles Tapes*.

The alleged conversations were printed on page four. On the opposite page was a London-based story describing the alleged transcripts as an "inept hoax."

An editorial in the *Sunday Observer* said in part: "Our decision to publish was not taken lightly. The tapes, if indeed they are genuine, were obtained by illegal and despicable means which are to be condemned. Nevertheless, they have become the subject of enormous world-wide interest and must be defined as hard news.

"We have decided to clear the air by providing the fullest possible information. This is the duty we as journalists owe to our readers.

"This newspaper has not paid money for the alleged extracts — nor would we ever contemplate doing so."

Pope calls abortion 'killing of innocents'

VATICAN CITY (UPI). — Pope John Paul II yesterday delivered one of his strongest condemnations of abortion, calling the operation a killing of the innocents and urging Roman Catholics to join a "holy cause" against legislation that legalizes it.

The pope's appeal, delivered before about 70,000 people gathered in St. Peter's Square, came one week to the day before Italians vote on a referendum sponsored by the Roman Catholic "Movement for Life" group that would abrogate Italy's liberal 1978 abortion law.

"It is the task, the duty, of the church to reaffirm that procured abortion is death," the pope said, his voice rising with emotion. "It is the killing of innocent creatures.

"In consequence," he said, "the church considers any legislation favourable to procured abortion as a very grave offence to the primary rights of mankind and to the divine commandment, 'Thou shalt not kill.' "

The pope's emotional appeal was the latest in a veritable broadside of anti-abortion messages coming out of the Vatican prior to Italy's May 17 referendum on abortion.

£1m. gem heist

LONDON (AP). — A man dressed as a woman roughed up the manageress of a jewelry shop and stole gems and cash worth £1m., Scotland Yard said on Saturday.

The robbery at the exclusive Inn on the Park Hotel in Park Lane was one of the biggest-ever jewel heists in Britain, the Yard said.

Sport

Incentive for tennis win over Yugoslavia

Post Sports Reporter

TEL AVIV. — Egypt's week victory over Greece in Cairo th up the chance of a Davis Cup final zonal encounter betwee Egyptians and Israel later this mer. But for that to happen countries have still to win matches, Egypt against Hu and Israel over Yugoslavia.

Israel's team for the June tie in Skopje in the European "A" section is Shlomo Glick David Schneider, Haim Arlo and new cap Shahar Pe together with non-playing ca Yosef Stabholz. Steve Krulevit Baltimore-born player, has dropped from the national t team because of his insistenc being designated an Ame rather than an Israeli in indi international competitions. Israel and Yugoslavia received in the first round of the new prize winning cup competition.

Glickstein resumes his C Prix contests today, opening a lenge for the $200,000 German Open in Hamburg.

Warming the basket

Post Sports Reporter

TEL AVIV. — The national ba ball squad, in training for the pean championships Czechoslovakia later this m play three testing warm-up g against Italian hoopsters this The first clash is tomorrow ev at Yad Eliyahu, with the a shifting to the Romema H Haifa on Thursday and the cluding match at Kibbutz Mi Haemek on Saturday.

Coach Ralph Klein now has complement of 14 players which to try out his possibles ag the highly rated Italians, wh clude Dino Meneghin, Renato lalta, Perre Luidi Marzoratti Pietro Generali. The Italians just split two warm-up games the powerful Yugoslavian team

Looking for omens

LONDON (AP). — As Spurs Manchester City lick their wo after Saturday's gruelling FA Final and prepare for Thurs replay, the man who made the game a necessity, the hapless T my Hutchinson, has been trying shrug off the anguish of his sad goal in the dying minutes. That levelled his own 30th minute hea goal which had put City ahead.

"It certainly stunned it, Joe C rigan had the shot covere Hutchinson, at 23 the oldest ma the pitch, said. He added wryly prefer to keep my goals for the occasion, but I hadn't wante score one for Tottenham as w

The last time a player score both sides in a Wembley final back in 1946. Then the unhap man was Charlton Athletic's Bennett against Derby Cou Derby went on to win 4-1 in e time — perhaps a good omen Spurs' fans.

SCOREBOARD

TENNIS: Carlos Kirmayr (Brazil) and F Dibbs (U.S.) are the unlikely finalists in $592000 Tournament of Champions in York. Kirmayr crushed fifth-seed Wojtek F (Poland) 6-2, 6-4 and Dibbs beat Victor K (Paraguay) 7-6, 6-3 in the semis.

Chris Evert Lloyd retained the Italian Wo Open, easily beating Romania's Virginia R 6-1, 6-2 in the final.

In Tokyo, Britain's Sue Barker and American girl Ann Kiyomura teamed up fo the valuable doubles tournament beating American couple Barbara Potter and Sh Walsh 7-5, 6-2. In the Davis Cup, Mo qualified for the second round, beating Mon 3-1, Bulgaria took a 3-0 winning lead over embourg, and Denmark completed a 5-0 sweep over Portugal.

BASKETBALL: The Boston Celtics be Houston to just 71 points and breezed to a victory to take a 2-1 lead over the Rockets NBA championship series.

In the European championships qualifying nament, Greece beat Holland 105-94 and Germany beat England — hitherto the sm packet of the tournament — by 84-66. Tw who were beaten by the Germans by a s point on Saturday, have lodged a protest.

CRICKET: The unofficial four-day tes Colombo ended in a draw with Sri Lanka in the honours over the visiting Australians. T marred the match throughout and denied Islanders a chance for a fine win by preve any play after tea on the last day. Final Sco Australia 124 and 178 all out; Sri Lanka 17 out.

In the Israel cricket league Petah Tikvah A Tel Aviv by 39 runs. Petah Tikva 151 all (Solomon 47). Tel Aviv 112 all out (Mose Davidson 5-56).

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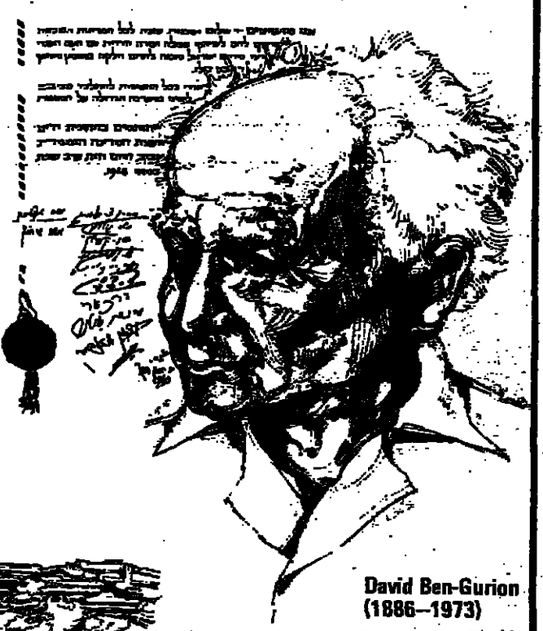
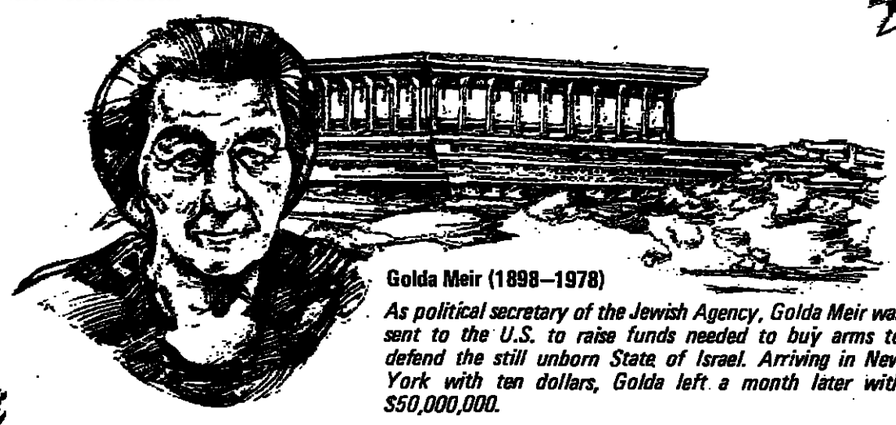


Theodor Herzl (1860–1904)

In 1898, at the closing of the First Zionist Congress, Theodor Herzl wrote, "In Basel, I founded the State of Israel. If I were to say this today, I would be greeted with laughter. In five years and certainly in fifty everyone will see it." And so it has come to pass.



Golda Meir (1898–1978)

As political secretary of the Jewish Agency, Golda Meir was sent to the U.S. to raise funds needed to buy arms to defend the still unborn State of Israel. Arriving in New York with ten dollars, Golda left a month later with $50,000,000.

David Ben-Gurion (1886–1973)

At the age of nineteen, David Green, the son of a Polish lawyer, decided to "live Zionism, not talk it". His preparedness during the critical weeks of May-June 1948 enabled the newborn Jewish State to endure the opposition of five Arab armies.

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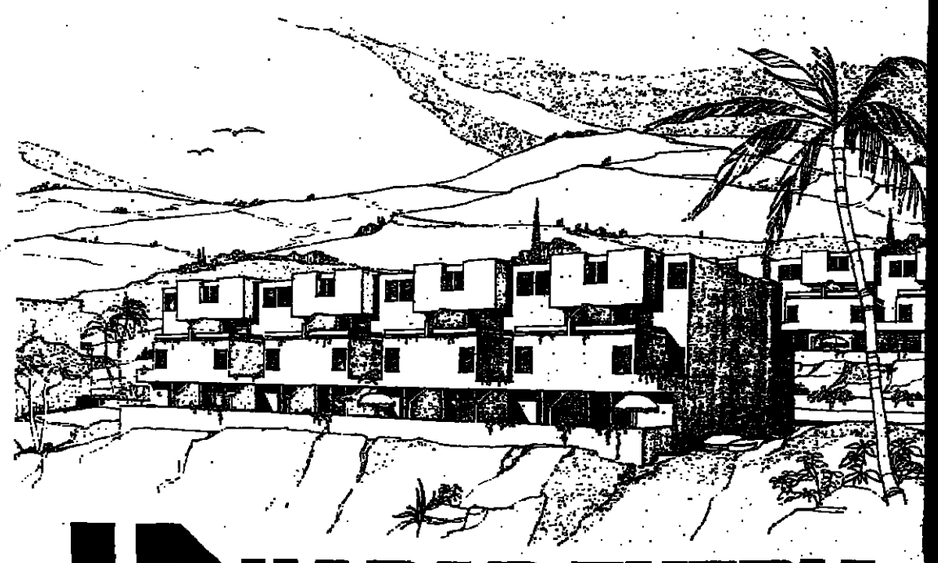

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Winner In a Walk

Next Round Is On Taxes and Rostenkowski Holds the Key

By EDWARD COWAN

WASHINGTON

FOR Representative Dan Rostenkowski, the situation could hardly be more awkward. Not two weeks ago an aide to the new chairman of the Ways and Means Committee asserted that the panel's 23 Democrats, under the chairman's discipline, would send to the floor a bill that cut individual income taxes for only one year.

On Thursday, even before the House voted decisively for a Reagan-style 1982 budget, another aide acknowledged that the political winds were shifting. A three-year reduction, the aide said, just might be acceptable if the third-year cut were contingent on a slowdown of inflation. "It's hard," the aide explained, "to fight the psychology argument — that people need to know their taxes will be cut to make certain economic decisions." The explanation was pure supply-side theory, the underpinning for the President's proposal that personal tax rates be reduced across the board for the three years despite persistent budget deficits and double-digit inflation and worries that the plan is inflationary.

For the burly 53-year-old protegé of the late Richard Daley, the coming weeks offer an opportunity to rally the floundering House Democrats after their budget defeat. It is an opportunity to show that after 22 years in the House he is clearly equipped to be a political powerbroker, perhaps even to vault to the speakership. As chief deputy whip last year, he wanted to move up to whip after John Brademas lost reelection. But House Speaker Thomas P. O'Neill Jr. asked him to succeed another defeated Democrat, Al Ullman of Oregon, as chairman of Ways and Means. The committee, with jurisdiction over taxes, trade, welfare, health care and Social Security, is regarded as a touchstone of power. Reluctantly, after several weeks of public indecision, Mr. Rostenkowski acquiesced.

With the 23 Democrats arrayed against 12 Republicans, there is little doubt he can control the committee on vital issues, in the tradition of such dominant chairmen as Wilbur Mills. The question is whether he can win on the House floor without yielding in committee. That is because to win on the floor with a partisan Democratic bill, Mr. Rostenkowski will need the votes of the conservative, mostly Southern Democrats who tilted the budget battle in Mr. Reagan's favor. Those same Southern Democrats could be decisive in a Rostenkowski bid for the speakership.

Committee deliberations were to have started this week. But Mr. Rostenkowski, aides said, first wants budget-cutting fever to subside. He also needs to find out what it would take to hold the conservative Democrats in line and whether the White House will respond to his signals that he is a realist who is willing to talk compromise.

To date, the Administration has rebuffed all such talk. "He's come a long way towards us," says Treasury Secretary Donald T. Regan, "and we think he's going to move some more." That could be. The atmosphere around the committee has been changing. Ten days ago an aide snapped, "Rostenkowski has come a long way but there's a limit to his good will." To speculation that some committee Democrats — including Kent Hance of Texas and Ken Holland of South Carolina — might be hard to hold in line, the aide replied, "Rostenkowski can punish. He has a very long memory, and people know that."

The staff no longer talks tough. The chairman himself insists that all is not lost. "The same people who voted for the budget cuts are still telling me they're not for Kemp-Roth," the Republican three-year tax bill, Mr. Rostenkowski said after the budget vote. He made plain that "the same people" included some Republicans. Lest that sound adversarial, he added, "I don't want to put my President in an attack position." Running through his remarks was a hint that a two-year tax bill might be an honorable way out for both parties. Avoiding a direct disavowal, Mr. Rostenkowski says, "Oh, I'm still talking about a one-year House bill. I don't find too many people arguing with me about that."

The Senate's tax chief is Dole, page 4.

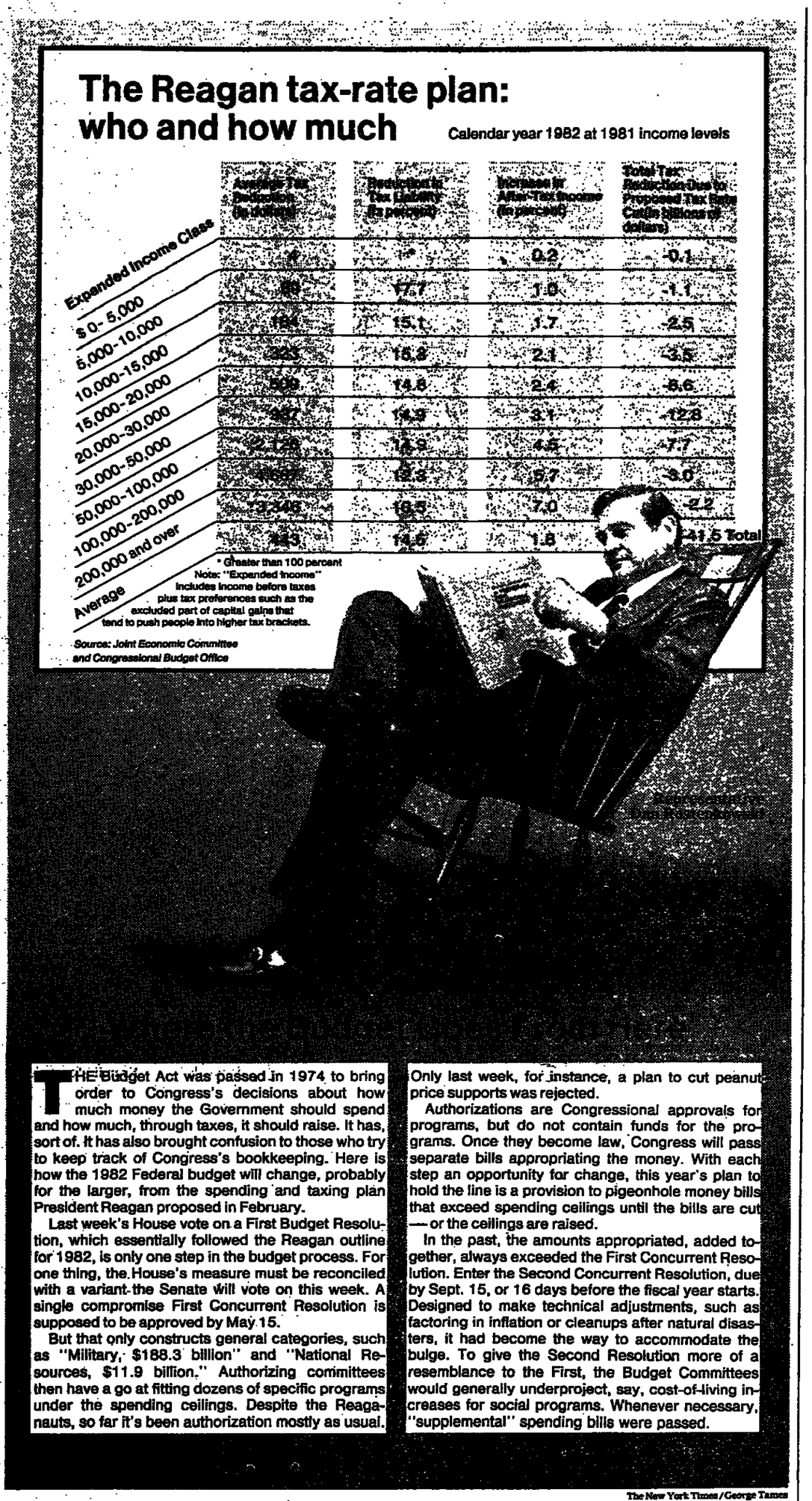
The conventional wisdom has been that the public was more solidly behind budget cuts than tax cuts. On Friday, a conservative Southern Democrat who voted with the President, Ed Jenkins of Georgia, a member of Ways and Means, reported from his district that his thinking was unchanged. "My constituents have consistently indicated to me the budget deficit was more important for interest rates and inflation," he said. Similarly, a liberal Democrat on the panel, James M. Shanon of Massachusetts, said many constituents wanted him to support the Reagan budget but "very few told me to support the President's tax plan."

Obviously, whether Mr. Reagan can turn public opinion in his direction on taxes will influence whether the bill that Congress passes — by Aug. 1, the White House hopes — mandates one, two or three rounds of tax cuts. Mr. Jenkins, for one, says a three-year bill is unlikely. He expects that the overall cut will be $30 billion to $40 billion, not the roughly $50 billion proposed by Mr. Reagan.

Also at stake will be the cumulative size of the relief and when it would take effect. Mr. Reagan has proposed three consecutive cuts of 10 percent each. A three-year bill that averages 7½ percent or more would be a substantial victory. A two-year bill would be a more modest victory, and now looks like the best bet. Whether the President would veto a one-year bill is an open question. On the effective date, Mr. Reagan has proposed July 1. A modest White House concession that might avoid the complications of retroactivity would be Oct. 1. A two-year, 20 percent cut to start next Jan. 1 would represent substantial concessions from both sides.

Meanwhile, the arcane business of a formula for sweetening depreciation write-offs for business is unsettled. But it is unlikely to be a fighting issue when House and Senate conferees huddle to resolve differences between their respective bills. Both bodies and both parties also want a provision to ameliorate the "marriage penalty" that mandatory joint filing exacts from husbands and wives who both work.

And, although Mr. Reagan has pleaded for a "clean" bill, it seems certain he will have to accept a special tax break or two for people who save or who have investment income. Mr. Rostenkowski had indicated he appreciates how important such a feature is to the conservatives he needs.



THE Budget Act was passed in 1974 to bring order to Congress's decisions about how much money the Government should spend and how much, through taxes, it should raise. It has, sort of. It has also brought confusion to those who try to keep track of Congress's bookkeeping. Here is how the 1982 Federal budget will change, probably for the larger, from the spending and taxing plan President Reagan proposed in February.

Last week's House vote on a First Budget Resolution, which essentially followed the Reagan outline for 1982, is only one step in the budget process. For one thing, the House's measure must be reconciled with a variant the Senate will vote on this week. A single compromise First Concurrent Resolution is supposed to be approved by May 15.

But that only constructs general categories, such as "Military, $188.3 billion" and "National Resources, $11.9 billion." Authorizing committees then have a go at fitting dozens of specific programs under the spending ceilings. Despite the Reaganauts, so far it's been authorization mostly as usual. Only last week, for instance, a plan to cut peanut price supports was rejected.

Authorizations are Congressional approvals for programs, but do not contain funds for the programs. Once they become law, Congress will pass separate bills appropriating the money. With each step an opportunity for change, this year's plan to hold the line is a provision to pigeonhole money bills that exceed spending ceilings until the bills are cut — or the ceilings are raised.

In the past, the amounts appropriated, added together, always exceeded the First Concurrent Resolution. Enter the Second Concurrent Resolution, due by Sept. 15, or 16 days before the fiscal year starts. Designed to make technical adjustments, such as factoring in inflation or cleanups after natural disasters, it had become the way to accommodate the bulge. To give the Second Resolution more of a resemblance to the First, the Budget Committees would generally underproject, say, cost-of-living increases for social programs. Whenever necessary, "supplemental" spending bills were passed.

The New York Times/George Tames

Democrats Lose More Than Budget

IN the history books, the meaning of the House vote on the President's budget will be only partly in the Reagan victory — though it was, as predicted, substantial. It will also lie in the scope of the Democratic defeat. Having lost the White House and the Senate at the polls in November, the Democrats last week may have lost effective control of the House of Representatives.

By 253 to 176, a coalition of Republicans and conservative Democratics selected as the official proposal of the Democratic-controlled chamber a White House-endorsed plan that would slash fiscal 1982 spending in virtually every Federal program except defense while providing a substantial tax cut. And in the vote that adopted the $698 billion budget with its $31 billion deficit, the House also ordered itself to cut into current spending, mostly for programs that were born in Lyndon Johnson's Great Society. The total to be eliminated immediately is $36.6 billion — from a 1981 budget that, when first proposed by President Carter, was denounced by moderate as well as liberal Democrats as too conservative.

"Let history show that we provided the margin of difference that changed the course of American Government," Robert H. Michel, the minority leader, urged in the pre-vote debate. How much has changed had been apparent for some time. The House Budget Committee resolution — the Democratic majority's budget proposal — had been tailored from the first to give Mr. Reagan three-quarters of the cuts he had asked for and, it was hoped, enable a plan called Democratic to pass. The leadership's final effort to keep the mostly Southern right phalanx of the party from straying came last week, when the committee resolution was formally amended to add $6.7 billion more for the military. Sixty-three Democrats crossed anyway to the Reagan measure, sponsored by Phil Gramm, Democrat of Texas, and Delbert L. Latta, Republican of Ohio.

As for the liberals, they were not even given a roll-call vote to register their Nays to the leadership's defense-spending move. Their bitterness was increased when a proposal by the 18-member Congressional Black Caucus, which in the past would have attracted at least ceremonial nods, was rejected by an overwhelming 356 to 69. The measure would have cut military spending to provide more dollars for classic social programs. An alternative, put forward by Representative David Obey, to increase funds for domestic programs and defer cutting personal income taxes until next year, did only slightly better at 303 to 119.

"I know it's not going anywhere," said Mr. Obey before that vote. "I'm just going to illustrate some of the inequities."

For Democrats in the middle, there seemed to be left only the hope that in the end, the economy would push the Reagan plan into the dustbin of ideas. In fact, the demonstration last week of how thoroughly Mr. Reagan has won Washington contrasted sharply with evidence of how far the White House still has to go to in wooing Wall Street's bankers and brokers.

Monday's raise in the prime interest rate to 19 points, Treasury Secretary Donald T. Regan conceded, could be pale in the light of future increases, and such increases could bring a "temporary" business slump. The stock market wasn't waiting: after an awful start, the average closed down 19.19 on the week. That unemployment stayed steady at a once unacceptable 7.3 percent, and that wholesale prices rose only .8 percent, to put inflation for the third month in a row 10.5 percent for the year seemed a relief.

Test for U.S. Diplomacy

Not Much Time To Cool Crisis Over Lebanon

By BERNARD GWERTZMAN

WASHINGTON — After months of worrying about potential explosions in Poland or Central America, Washington last week was faced instead with the possibility of war between Syria and Israel in the tinderbox region that the Administration assumed until recently did not require priority consideration. With all the ingredients present for a major clash over Lebanon, it was the Reagan Administration's first international crisis.

As in past Arab-Israeli crises, there was considerable confusion over who was at fault and what the superpowers were up to. The Israelis, concerned about Syrian successes in driving the Christian Phalangists from strategic heights, shot down two Syrian helicopters in Lebanon. The Syrians thereupon moved in SAM-6 antiaircraft missiles. The Israelis charged that this violated a 1976 understanding, reached when Syrian troops first went into Lebanon. Under it, Jerusalem said, the Syrians were not to interfere with Israeli air force movements over Lebanon by bringing in SAM's. Denying that any such agreement existed, Damascus seemed eager for a test of wills, even at the risk of military defeat.

The United States sought to avoid a new war and to bring order to Lebanon, where fighting between Syrian peacekeeping forces and the Phalangists has contributed to all-around violence in the past month. Philip C. Habib, a distinguished Lebanese-American diplomat, was brought out of retirement and dispatched to Lebanon, Syria and Israel to seek a face-saving formula. Mr. Habib set out with no plan except to gain time, in the hope that a formula might be developed that would persuade the Syrians to pull back and the Israelis to desist. There was foreboding at the State Department, however, that Syria and Israel would not be deterred from further military clashes.

Georgi M. Korniyenko, the First Deputy Foreign Minister of the Soviet Union, also flew to Damascus to confer with Syrian leaders. Moscow has a friendship treaty with Damascus and is its chief arms supplier. Because of the military ties between Washington and Jerusalem and between Moscow and Damascus, any Syrian-Israeli clash raises the danger that the superpowers might be dragged in.

In a similar sequence before the Six Day War of 1967, mistaken Syrian fears of an Israeli invasion touched off a chain reaction that led to Egypt's cancellation of a United Nations peacekeeping presence and intensive American efforts to head off a clash. The efforts failed and Israel launched a pre-emptive attack on Egypt that was followed by fighting with Syria and Jordan.

Unclear Soviet Motives

In a letter to President Reagan last week, Prime Minister Menachem Begin reportedly pointed out the parallel to 1967. He gave Mr. Habib time to look for a solution, but Washington's room for maneuver was severely limited. Syria, after Mr. Korniyenko departed, insisted the missiles would remain "wherever Syrian troops are, when they need them." President Hafez al-Assad seemed willing to accept military losses if in so doing he could end Syria's isolation in the Arab world. A clash with Israel would inevitably bring support from countries such as Saudi Arabia, which have been cool to Mr. Assad's alliances with Libya and the Soviet Union. In 1974 and 1975, after the Syrian-Israeli disengagement negotiated by Henry A. Kissinger, there was something of a honeymoon in Syrian-American relations. But now ties are strained to the utmost; they were certainly not strengthened last month when Secretary of State Alexander M. Haig Jr., visiting Jerusalem, accused Syria of "brutality" and violations of international law.

The Israeli political scene, meanwhile, does not encourage moderation by Prime Minister Menachem Begin. As long as his response does not result in heavy Israeli casualties, a military attack would be popular. Elections are six weeks off and Mr. Begin's standing in the polls has risen along with the tensions. There was considerable pressure to accept a Syrian "challenge" by knocking out the missiles.

The Soviet role in the behind-the-scenes diplomacy is uncertain. In Washington, Ambassador Anatoly F. Dobrynin has been conveying two messages: That the trouble is Israeli-caused and that the Soviet Union is trying to avert a conflict. Middle East experts have noted that the United States, by asking the Russians to urge restraint on their Syrian "clients," have implicitly invited Moscow back to the Middle East diplomatic table from which it had been largely excluded for three years. Is it in the Soviet interest to play the peacemaker, or, alternatively, to encourage Damascus to stand firm, thereby deflecting world attention from Poland while provoking a test of wills with Washington?

Hope of avoiding a clash seems to turn on the possibility that the Syrians could work out an agreement with the various Lebanese factions. Syrian Foreign Minister Abdel Halim Khaddam met with Lebanese political leaders and the Phalangists, reportedly drafting an understanding under which Lebanese army units might replace Syrians in some locations. But these talks took place before the SAM missile crisis. Whether the Syrians would now be willing to withdraw from the strategic heights — and thus appear to be yielding to Israeli pressure — is uncertain.

A comprehensive solution may be the only way out of the dilemma. It might include political agreements between Syria and the Lebanese factions; removal of Syrian forces from populated areas and transferring their responsiblity at certain key points to the Lebanese military; Israeli agreement to limit intervention in Lebanese political affairs, and commitments to respect Lebanon's sovereignty that would prohibit Syrian and Israeli military intervention. Such a solution, however, would require time, and that was one thing Mr. Habib had very little of this weekend.

Sounds of violence drown out the moderate voices in Ulster 2

Deputy Prime Minister talks of Poland's needs and perils 3

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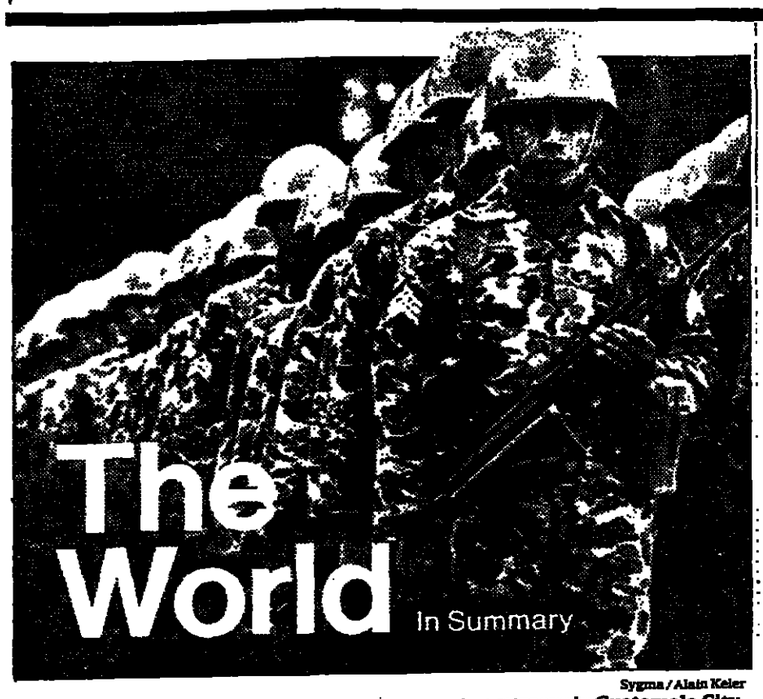

Sygma/Alain Keler
Army troops in Guatamala City.

Now, Guatemala's Pot Begins to Boil In Central America

The Reagan Administration, playing out its Central American policy like a game of dominoes, last week announced the dispatch of an envoy to Guatemala to discuss resumption of military aid; Guatemala sent Foreign Minister Rafael Castillo Valdez to Washington on a parallel mission. The moves reflected Administration promises of a sympathetic hearing to friendly "authoritarian" regimes coping with leftist guerrillas.

Guatemalan security forces, having assassinated and intimidated all opposition leaders, face approximately 2,000 "Cuban-supported Marxist guerrillas," the State Department said. It added, "We want to help the Guatemalans defend themselves and to work with them to control indiscriminate violence of all kinds."

The latter phrase evidently referred to right-wing death squads whose unrestrained attacks led to suspension of military aid in 1977. The Guatemalan regime rejected the aid in response to Carter Administration criticism of human rights violations. Earlier this year, Amnesty International said that 3,000 political murders had been carried out since 1979 by teams protected by the military Government's forces.

The American envoy is Vernon A. Walters, a former top official of the Central Intelligence Agency, who is now a senior State Department aide.

Mexico Keeps a Promise

When the Reagan Administration, charging that Nicaragua was helping Salvadoran guerrillas, cut off aid to Managua, Mexico promised to take up the slack. Last week in Mexico City, the two countries signed aid agreements that may total $200 million by 1983. President José López Portillo was critical of Washington, citing "falsehood and sophistry in which the campaign against Nicaragua is carried out in the name of democracy."

In San Salvador last week, the Rev. Roy Bourgeois, a Chicago priest who dropped out of sight last month and had been feared dead, reappeared and criticized military aid to "a repressive dictatorship at war with its own people." Washington is providing El Salvador with 54 military instructors, $30 million in military aid and $126.5 million in economic assistance.

The French Pick A Winner Today

The French electorate today faces a choice, not an echo, in deciding whether Valéry Giscard d'Estaing will get another seven-year term or whether he must turn the Elysée Palace over to his Socialist challenger, François Mitterrand. Although several opinion polls showed Mr. Mitterrand ahead, a late poll by Mr. Giscard d'Estaing gave him a narrow margin.

The situation thus seemed little changed despite a two-hour televised debate between Mr. Giscard d'Estaing and Mr. Mitterrand, who concentrated on his favorite issues, France's 1.7 million unemployed and 14 percent inflation. Mr. Giscard d'Estaing sharpened his contention that the Socialist would be forced to rely on Communist support to govern effectively.

At the least, Mr. Mitterrand needs Communist support to be elected. He appeared to have a more effective lock on the 15 percent of the electorate who voted Communist in the first round two weeks ago than Mr. Giscard d'Estaing had on the 18 percent who voted for his rival on the right, Jacques Chirac. Mr. Chirac refused to endorse Mr. Giscard d'Estaing, but he did issue a warning against electing a Socialist President.

U.S. Lobbies Its Western Allies

After his recent brushes with unfriendly powers — not to mention the White House staff — Secretary of State Alexander M. Haig Jr. was back on more congenial turf last week. Meeting in Rome with Foreign Ministers of the North Atlantic Treaty Organization, he obtained unanimous agreement on a tougher stance toward Moscow and was rewarded afterward with Presidential kudos.

Mr. Haig pleased the West Europeans by reporting that President Reagan, in a handwritten note to Leonid I. Brezhnev, had agreed to Soviet-American talks later this year on limiting nuclear missiles in Europe. The Europeans have insisted on such discussions; otherwise they would face domestic political obstacles in accepting the deployment of United States cruise and Pershing-2 missiles in West Germany, Italy and, possibly, Belgium and the Netherlands.

Barring a Soviet invasion of Poland or a large-scale destabilizing move elsewhere, Mr. Haig is to launch the dialogue with Andrei A. Gromyko, when the Soviet Foreign Minister comes to the United Nations General Assembly in September. By December, United States and Soviet senior officials would get down to hard bargaining over what the West sees as a dangerous imbalance — the Russians now have 1,040 Soviet nuclear warheads targeted on Western Europe.

Having won that point, the allies cautiously agreed to a Reagan-style communiqué that relegated détente to a single mention and linked East-West relations to "Soviet deeds" — cooling the arms race and desisting from intimidating neighbors and creating crises in the third world.

Host and Guest Equally Pleased

President Reagan provided the pomp and Prime Minister Zenko Suzuki did his best under the circumstances last week. After two days of Presidential hospitality, including 50 White House honor guards carrying dozens of Japanese and American flags, the two leaders were "speaking openly as real buddies," aides said, about getting Japan to increase its contribution to Western defenses.

Mr. Suzuki pleased his hosts by promising to fill gaps left by reassignment of United States ships to the Persian Gulf and Indian Ocean, whence cometh most of Tokyo's oil. Japan's navy will patrol commercial sealanes up to 1,000 nautical miles from home and guard several hundred miles of its own "surrounding air and sea space." In addition, the Prime Minister promised to restore the 7 percent annual growth rate in his defense budget — trimmed this year as a recession austerity measure — and to increase Tokyo's $800 million per year share of the cost of United States troops stationed in Japan. Under its constitution, Japan's military is strictly limited to defending home base.

Mr. Reagan repeated his "appreciation" for Japan's agreement to reduce automobile exports to the United States. And accepting Mr. Suzuki's view that nuclear reprocessing "is of particular importance to Japan" (which imports most of its energy requirements), the President gave an "interim" go-ahead to Japan's nuclear fuel reprocessing plant at Tok Mura. In its worldwide effort to c trol potential nuclear weapons com nents, the Carter Administration discouraged use of American nucl fuel at the Japanese facility.

Libyans Sent Home For Bad Behavior

Every day, Col. Muammar el-Q daffi's Socialist People's Libyan A Jamahiriya sells 640,000 barrels of to the United States, and gets back million, or more than $8 for e Libyan man, woman and child. often, in Washington's view, wealth has financed "provocati and misconduct, including support international terrorism." So week, the State Department orde Libya's mission in Washington to c and expelled its 27 staff members.

The volatile Colonel Qaddafi, once sought a pipeline to the Wh House via Billy Carter, usually wo one side of the international stree promoting revolutions in the Mid East and Africa, bankrolling ter ists and stockpiling $12 billion of S et-made weapons. He preaches A "steadfastness" against Israel a with the help of East German "ad ers," sent his troops into neigh ing Chad to defeat a French-backed gime. Eight Libyan dissidents w murdered in Europe last year many of the 4,000 Libyans in Ameri schools received threats. A Libyan dent was shot and wounded in Co rado in October.

After a mob burned the Uni States Embassy in Tripoli in Dec ber 1979, the staff was called ho That left 2,000 Americans — mainly company employees — without c sular protection. Last week's ex sion may prompt retaliation, but storage tanks overflowing. Uni States officials believed damage fr a cutoff of Libyan oil would be slight

Barbara Sla
Don Wycliff and Milt Freudenh

Noise of Violence Drowns Out Ulster's Voices of Moderation

By WILLIAM BORDERS

BELFAST, Northern Ireland — In a Victorian office building in the well-fortified center of Belfast, a Protestant insurance salesman sat at his desk one day not long ago surveying the British troops that patrolled the street below and agonizing over the future. Though his family had lived in Ulster for many generations, his teen-age son had begun to talk of moving away as soon as he is old enough.

"Dad, there's no future here for anyone but the killers," the man quoted his son as saying in one of the endless family arguments on the subject. "And the sad thing," the father added, "is that sometimes I think he's right."

That anguished and nonpolitical insurance man (who says, as many here do, "Please don't use my name") speaks for many of the 1.5 million people of Northern Ireland, Protestants and Roman Catholics alike, who feel trapped between the poles of violence and who simply wish the killing would stop.

They remember when Belfast was one of the United Kingdom's most prosperous cities, an industrial and shipbuilding center for an empire rather than an economic backwater with the highest unemployment rate in the country and an international reputation for death and destruction.

They remember, too, when the gentle green countryside, a land of fishing streams and pleasant meadows, was peaceful and welcoming, not marred by ugly army bunkers. And the recollections are painful.

At times like the present, when tensions are high after the death on Tuesday of the Irish Republican Army hunger striker Robert Sands, these men and women in the middle feel particularly frustrated because, as one of them put it, "It is hard to make the voice of moderation sound louder than the voice of violence."

Maraid Corrigan and Betty Williams, the two Belfast women whose movement, known as "The Peace People," won them the 1976 Nobel Peace Prize, spoke with the voice of reason and moderation — and they still do. But their movement, which was always more of a hit abroad than it was at home, has all but fallen dormant.

A new political party called Alliance, the only one not firmly rooted in either the Protestant majority or the Catholic minority, has also tried to make a genuinely nonsectarian appeal at the polls. But in the last election, overwhelmed by screams of "murder" and "betrayal" from the other parties, Alliance received less than 12 percent of the vote.

Because the Northern Irish cannot agree on an electoral formula by which the Protestants can share power with the Catholics, the province has been governed since 1974 by so-called "direct rule" from London.

But there are local councils with some limited governmental power and, as it happens, a provincial election for them is to be held next week.

Since the councils are concerned with such matters as cemeteries and trash collection, one might think the campaign would center on those subjects. But not in Northern Ireland.

"Local elections should be about local issues," The Belfast Telegraph conceded the other day in a front-page editorial. "But, of course, this can never be the case when the very constitution of the state is questioned. The voter is divided from the outset between pro-and anti-union parties, and it is within these divisions that the real battles will be fought."

Thus, the Rev. Ian Paisley and the most militant Protestants are trying to turn the council elections into a referendum on security and reinstitution of the death penalty. The Social Democratic and Labor Party, which speaks for the nonviolent Catholics, says "the real issue" will be the recent secret talks in Dublin between Prime Minister Margaret Thatcher and Prime Minister Charles J. Haughey, which some think may have concerned constitutional changes for Northern Ireland.

Even Oliver Napier, the Alliance Party leader, says that in choosing the new local councils, "the electorate has in their own hands the right to say 'yes' or 'no' to those politicians who are hell-bent on creating intercommunal tension and strife for their own political ends."

London's $2 Billion Bill

The other day, Humphrey Atkins, the British Cabinet minister responsible for the affairs of the province, said that "everyone who is concerned about the future of Northern Ireland ought to get together and really sit down and think how we can find a way forward. I believe we can come together and solve our problems without killing each other."

However, since his statement seemed to be suggesting constitutional change, and to be including the Dublin Government, which is anathema to Ulster unionist politicians, it was immediately excoriated by them as a betrayal and "sell-out."

Some day the British may grow weary of their role in this corner of the United Kingdom, which the Irish nationalists regard as a colony, or become financially exhausted by the annual $2 billion drain it represents. The cry of "Brits out" may yet come true, although Prime Minister Thatcher reiterated as recently as Thursday the Government pledge that Northern Ireland would remain part of Britain as long as the majority here wills it.

At about the same time she was speaking in the House of Commons, some leaders of the I.R.A. were standing by the grave of Robert Sands, burying him with a masked honor guard dressed in paramilitary uniforms, and pledging what one of them called "a solemn rededication to the struggle to drive the English out of our land."

The Boston Globe/Stan Grossfeld via Associated
Youths preparing materials to be used for setting hijacked vehicles on fire in Belfast last w

Earlier on that gray rainy afternoon, during Mr. Sands' funeral service, the Rev. Liam Mullan, the family's parish priest, made a surprisingly bold appeal to both sides, Protestant and Catholic, to lay down their arms.

"The burden of guilt for the sorry state of affairs does not lie with one side alone," Father Mullan told a congregation that included some of the I.R.A. leaders. "Let us to — no matter what organization we belong to — say we do our best to preserve the peace in our country, to bring end to the violence. Surely the dear Lord will help us to u in the common bond of peace."

The next day, when a reporter stopped by to see Fa Mullan to check a quotation, the priest commented wr "I wasn't sure anyone was listening."

Coup Failed, but Spain's Politics Still Reels From the Aftershock

By JAMES M. MARKHAM

MADRID — Two and a half months after a military putsch nearly felled Spain's infant democracy, politicians, journalists and other public figures have become gloomy, edgy and demoralized, holding their breath as if waiting for the next blow. The fright created by the February attack on Parliament, which was held hostage for 18 hours, has altered some basic assumptions of Spain's politics.

Last week, a spasm of terrorist violence, one of the most horrifying since the death of Francisco Franco in 1975, deepened the pessimism. In two separate attacks in the same fashionable Madrid neighborhood, a general, a colonel and two soldiers were assassinated by bullets and a powerful bomb; 15 bystanders were injured, some seriously, in the assaults. In Barcelona, two Civil Guards were coolly assassinated in a bar by two youths.

The back-to-back outbreaks of terror were the work of the Basque group E.T.A. and a shadowy, supposedly leftist organization known as Grapo, which has been variously accused of being infiltrated by right-wing policemen and the Soviet K.G.B. The Basque group failed to kill its main target, Lt. Gen. Joaquin Valenzuela, head of King Juan Carlos's military household, though he was gravely wounded.

Whatever their true ideologies, the terrorists have a common goal: to provoke another coup. Unchecked terrorism, particularly in the northern Basque region, was an important provocation to the right-wing plot in February. A fashionable argument nowadays is that the putsch failed in military terms, but succeeded politically. The new center-right Government of Prime Minister Leopoldo Calvo Sotelo has demonstrated decisiveness on a number of issues, but has treated the military with kid gloves, eager to avoid offending "the sleeping lion."

Most of the 288 Civil Guards who were arrested for joining Lieut. Col. Antonio Tejero's assault on the Cortes on Feb. 23 have been released. A statement from the Civil Guard command said that the "infraction" committed by the men permitted them to be held for only two months. Many Spaniards have begun to wonder whether Colonel Tejero, not to mention three senior generals charged with him, will eventually be found guilty of nothing more than an "infraction." Their court-martial looms as a watershed in Spain's uncertain transition to democracy. Within the Government, some ministers favor putting off the trial for as long as possible, while others contend that delay would simply confirm the impression that the civilians are terrified of their own army.

By leaking Colonel Tejero's pre-trial testimony to the press, partisans of the seditious Civil Guardsmen have sown considerable confusion, implicating several officers who have not been charged and besmirching King Juan Carlos by suggesting that he was involved in the plot. The monarch's forceful defense of democracy on Feb. 23 speaks for itself — he almost single-handedly stopped the coup — but the true scope of military complicity is a question mark. Colonel Tejero's leaked testimony, for example, fingers Gen. Jose Juste, commander of the First Armored Division, which rings the capital. Immediately after the coup attempt, General Juste seemed to be one of the good guys who had helped rescue democracy. Now he has suddenly and inexplicably been relieved of his command, though he denies vigorously Colonel Tejero's accusations against him. The court-martial could multiply this sort of episode, putting the military in a volatile and rebellious mood.

Putting the Brakes on Autonomy

The gloom is thickest on the left. Before Feb. 23, the Socialist Party, the second largest in Parliament, was brimming with optimism, convinced by opinion polls that its 39-year-old Secretary General, Felipe Gonzalez, would lead it to victory in elections. But after the coup, Spaniards will think twice about voting Socialist for fear of arousing the military and thereby will provide a respite for Mr. Calvo Sotelo's badly divided Union of the Democratic Center. Parliamentary democracy rests on the premise that a rotation of power among political parties is possible, but the military neurosis — "the Feb. 23 syndrome," as it is now called — amounts to a permanent veto on a left-led Government. In one sense, this is a gift to Mr. Calvo Sotelo and the squabbling Spanish right. "It's as if the death of Franco had happened again," observed a conservative politician, recalling the anxious calm that took hold after the Caudillo died in 1975, "and Calvo Sotelo is taking good advantage of [it]."

With a complicit wink from the Socialists, the Prime Minister has begun putting the brakes on granting autonomy to Spain's restive regions, particularly Catalonia and the Basque provinces. The military watched this creeping federalism with alarm, fearing for the "unity of the fatherland." Stronger central power also pleases the Government and the Socialists; their clienteles were being ero by small regional groupings. Soon a new electoral law m enshrine this newborn centralism, making it hard for gional parties to get into the Cortes.

Mr. Calvo Sotelo has also exploited the shock of putsch and the terrorism, which he hinted was linked to "ternational" conspiracies (by the Soviet Union, Cuba, Li and Algeria, an aide said), to quicken Spain's entry to North Atlantic Treaty Organization. The Socialists, me while, have faintly muted their traditional opposition Spanish membership. Last week, a gathering of NATO f eign ministers in Rome gave a green light to Spain's plan become the organization's 16th member.

The eagerness of politicians to appease the military curious in that, so far, the sleeping lion has remained asle Mr. Calvo Sotelo insists in private that no general has fered, or threatened, advice. One of his Cabinet ministe likens the relationship of civilians and military to the tra ing practice of the ancient Phoenicians. The Phoenicia left their wares on the beach and, after they had retir from view, their tribesmen customers would sneak do and put gold coins in place of the goods they took; the Ph nicians would return and collect the coins and leftov goods. The two wary parties never spoke to each other.

Last month, Juan Carlos felt secure enough to leave t country for a three-day visit to Italy. But the politicia breathed easier when he came home. Another lunge by t military into politics could happen tomorrow. It could ha pen six months from now. It may never happen again. Su is the uncertainty in Madrid.

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'After a Goal Is Reached, Extremists Are Rejected — Burned, Hanged or Pensioned'

Deputy Prime Minister Mieczyslaw Rakowski addressing Polish Parliament last month.

Associated Press

Deputy Prime Minister Talks Of Poland's Needs and Perils

MIECZYSLAW RAKOWSKI, the Polish Government's chief negotiator with the Solidarity trade union, is the longtime editor in chief of the weekly newspaper Polityka, the most prestigious official Communist publication in Eastern Europe. His appointment as Deputy Prime Minister in February was an important step in opening up the Government's information policies and in forming a working relationship with the independent union.

Mr. Rakowski has, for years, been a leading liberal on the Communist Party's Central Committee, although his writings and speeches have emphasized that Poland's security is inextricably bound to a close alliance with the Soviet Union. With the shifts in thinking that have occurred since August, he is now regarded by many labor activists and intellectuals as something of a conservative.

With the Polish crisis in a recessive phase and negotiations between the union and the Government proceeding on important issues, Mr. Rakowski sat down last week with John Darnton, The New York Times bureau chief in Warsaw, for an hour-long interview in his opulent new office at the Council of Ministers. Excerpts of their conversation, which was conducted in Polish, follow.

Question. How did the April 30 Central Committee meeting compare with the highly controversial one that preceded it?

Mr. Rakowski. The early feedback indicates that there is greater satisfaction. This does not mean that this meeting was accepted unanimously. But there is a vital difference between the two plenums. In the first, there was a very strong attack on the leadership of the party, on specific individuals. At the recent plenum, this did not occur, or was minimal. I think this is because the elections for delegates to the [Party] Congress, which are now taking place, are being conducted on the basis of the new electoral system. It was also important that a date [July 14] for the Party Congress was announced. And this plenum showed a greater readiness to acknowledge horizontal structures.

Q. Will secret ballots and unlimited candidacies apply to all delegates elected?

A. To all. First, there will be a secret ballot on every level. For the first time, at this plenum there was a secret ballot for the people elected to the Politburo. And this will continue in the future. Candidates can be nominated from the floor of the hall during the Congress. This is a very democratic electoral system.

Q. Will some delegates be chosen directly from the factory floors and by provincial party conferences?

A. Yes. It is the tradition of the party that great industrial centers elect their candidates directly. We have noticed a certain negative element. Among those elected, there is a majority of higher technical personnel. This is because these great industrial centers require a high level of technical and economic expertise. During the recent period, this group was politically more active, playing a leadership role.

Q. Looking at party moderates, more radical reformers and the Old Guard, how many of each type would be elected?

A. It's really dangerous to make such predictions. In every political movement, the moderate elements usually have the advantage. This is human nature. The world and its people cannot develop without extremes. Extremists serve to develop or accelerate a process. After a goal is reached, the extremists are rejected — they are either burned at the stake or hanged or, in the civilized world, retired with a pension. I personally believe that, as far as my party is concerned, the movement toward moderate reform is the strongest.

Q. Does the horizontal linkage movement (that favors grass roots control of the party) contain the seeds of heresy?

A. No. One of the reasons these horizontal structures were created was dissatisfaction with the rate at which the party leadership was implementing the society's renewal. Undoubtedly, the party rank and file wants more democracy inside the party. They are reaching this goal right now. This is no longer the formal issue.

It is simply that, after all the recent crises, which to no small degree were caused by the policies of the previous party leadership, the party rank and file now wants to have the leadership under permanent control. And this is their unshakable right. But these horizontal structures

> "A certain stage in the development of Polish socialism has come to an end"

are rather weak in devising programs for the future. They concentrate mostly on internal party issues. It could be this is just the first step and maybe the Congress will create a program.

Q. Do you see any generational pattern in the new movement?

A. The proponents of horizontal structures are mostly a young generation. Here, as in the Solidarity movement, we are dealing with pressure from the young. This change had to occur and it indicates that the movement is healthy. A certain stage in the development of Polish socialism has come to an end. That is why at the plenum I spoke of the concrete need for creating real political structures that should operate in Poland in the 80's. These should replace the structures created in the 40's and 50's.

Q. What sort of new structures?

A. A partnership system that I have been promoting for quite some time — to invite the participation in the ruling system of political, professional and creative organizations who agree with the principles of socialism and recognize it as the political formulation that exists and operates in Poland.

'Danger' of Nationalism

Q. Is Poland evolving a new form of socialism, different from other Eastern European countries?

A. Differences between the various socialist governments in Eastern Europe have existed for several years. As a result of the events that occurred in Poland, we have differentiated what we describe as "Polish Socialism." It is too early to say that we have already created something new. So far in Poland we have just disassembled or damaged the old structures, but the new ones have yet to be constructed. The world will look upon us as idiots if we do not create a cohesive, efficient and working economic system. So far, the world admires Polish ideas. But you cannot earn a single dollar from the export of ideas and we have been known as exporters of ideas for a few hundred years. To be an example for other countries, more is needed. We need high productivity, good work organization and an effectively operating state system.

Q. Haven't recent events exacerbated the differences? Isn't Poland on a different road than Czechoslovakia and East Germany?

A. Certainly. Poland has its own idiosyncracies; for example, the strong Catholic influence and a large private agricultural sector. These differences have surfaced much more. But I don't think we would want to be, today or in the future, an example for anyone.

Q. As the Polish experiment continues, overtones of nationalism are emerging. How do you view this?

A. Such a danger exists and certainly indications of Polish nationalism are apparent now. This is obviously a misfortune. A country like ours, which is located in the heart of Europe, cannot allow itself to express its nationalism, because in every situation of this kind, the nationalism will hurt national interests. But I believe that in Poland, sound reason will prevail.

Q. What do you think of Solidarity's leaders?

A. I cannot speak too positively of [Lech] Walesa, because I was told it hurts him. I think Walesa is a man of high caliber. He is a classic type of union activist. He really wants Solidarity to deal with union matters above all, the defense of workers' interests. The leadership of Solidarity is very varied. There are people with a highly developed sense of responsibility. There are those who have tasted the flavor of great political action, for whom it is difficult to get accustomed to the normal rhythm of work. There is no lack of people with a lot of fantasies. One must remember that these current leaders of Solidarity emerged — were tossed up — from the natural explosion of the movement itself. I think a lot of time will have to pass until a group forms that is ready to accept the realities of the times as a basis for the union and political activity.

> "The world will see us as idiots if we don't create a working economic system"

Q. Are Solidarity and the Government cooperating more closely now?

A. I think a qualitative change is beginning to take place. This cooperation may, in the next few months, get deeper and expand. Of course, there are activists in Solidarity who fight against it. You can only get great spiritual comfort when you perform a judgmental function. Then you have clean hands and a clear conscience — when you just stand aside and say, "This is bad. This is good." We have a lot of specialists of this kind, and not only in Solidarity.

Q. Is Solidarity raising questions that go beyond the Gdansk agreement — on such issues as judges and internal security?

A. Yes. This is the expression of the tendency which aims at creating a political movement out of Solidarity. Such a tendency is a natural thing. This doesn't mean I support it, but I see it as natural.

Q. Are antisocialist elements inside Solidarity pushing it in their direction?

A. It is the goal of some of the people from K.O.R. [a group of dissident intellectuals] to change the system. They operate from an antisocialist position. It is not their idea to reconstruct the system, but to completely overturn it.

Soviet Neighbors Concerned

Q. But they do not favor capitalism?

A. No, not capitalism, some kind of social democratic or Christian democratic system. In Poland we've always been rich in great fantasies. The ideas of some of these K.O.R. people — Oh, my Lord! This complete and unlimited faith in the West! They believe that from America and other countries you could transfer elements here without any threat or danger. And when you say that Poland is a part of the existing system now operating in the world and that the whole setup can fall apart if the system in Poland is changed, they think this is pure threat. We must be very careful about accepting some of these ideas from people I describe as fantasizers.

Q. Would a Poland led by the Communist Party but with other, smaller parties represented, say, in Parliament be a fantasy?

A. No. In fact, we are moving toward such a system now. This is the idea at the crux of the partnership. Regardless of the mistakes committed by the Communist Party, it is a fact that the system created by this party and its policy toward the Soviet Union over the past 36 years guaranteed Poland a feeling of national security. And a generation and a half has grown up in peace. For 36 years, there have been no hotbeds of unrest or danger on any of Poland's frontiers. A new generation is now demanding something else. But these are accomplishments you have to praise above all, particularly at this spot in Europe. Maybe not everyone understands that.

Q. How do Poland's allies see it? Was the alarm raised in Washington about intervention real?

A. I'm not sitting in the Pentagon. I cannot say whether the alarm was justified. But it is a fact that our neighbors look at us very carefully and frequently with concern. I think, from the point of view of assuring peace in Europe, they are concerned that the events in Poland may became uncontrolled and this threatens the complete breakdown of the system created in Europe after World War II. Also, publications in Poland disseminate views that can create concern among our Soviet friends. There are hard realities in politics, which one has to take into account. But as you know, they say they believe the Polish Communists can solve the problem themselves.

Q. But isn't one of the hard realities for Moscow the question of how it could intervene without massive cost? Has it decided to let Poland travel a different road?

A. I will not and I cannot answer these kinds of puzzles. I only know that the Soviet Union is the last country that would want to intervene in Poland. The question of intervention is an extremely serious issue in the contemporary world. This will not be the first time that I express the view that the excitement about this issue does not serve either the interests of Poland or the desire to calm the situation in this part of Europe. I believe that you have to calmly look at the situation and concentrate instead on internal matters.

Q. Are we in for a period of internal peace?

A. An obvious calming of the situation is visible. How long this continues depends on many factors. One of the threats to the peace is the continuously deteriorating economic situation, which can bring about a growing discouragement on the part of society. This makes it prone to uncontrolled reflexes.

Q. Will there be an attempt to raise food prices?

A. There is such an idea. This will undoubtedly require a few months of discussions in which I am certain every economist will have a different opinion. This is our national characteristic.

Will U.S. Aid Regime?

In Guatemala, A Debilitating And Inept War

By WARREN HOGE

GUATEMALA — Religious processions, rich in custom and costume, fill the streets and the calendar in Guatemala and the most noted is the Good Friday cortege through the cobblestone roadways of Antigua, the colonial capital. This year, it drew the usual tens of thousands of onlookers to watch the massive wooden floats topped with statues of Jesus bearing His cross.

But a priest seemed curiously unimpressed by the throngs, the purple-hooded bearers, the elaborate flower-petal pavement designs and the clouds of incense. "The problem," he explained, "is that this is the big part of the Easter celebration for Guatemalans. There'll be nothing like this in church on Sunday. For them it's all suffering and no Resurrection." After the four-day Holy Week holiday, the newspaper Prensa Libre recorded the suffering — 152 people, 11 of them soldiers, had died in political violence.

A year ago, Guatemala appeared headed for a showdown between the elected military Government of Maj. Gen. Romeo Lucas García and four freshly united groups of leftist guerrillas. But today, the country seems likely to remain indefinitely in the grip of an escalating balance of terror. "The guerrillas proved not to be terribly capable," explained one foreign observer, "and the army is inept."

Last week, the Reagan State Department suggested resumption of aid programs for the Guatemalan army that had been suspended during the Carter Administration. But in Guatemala itself, those in the middle who might have played a role in leading the country politically out of its no-win standoff have been systematically assassinated or forced into exile by Government repression. So many students and university professors have fled to Costa Rica that they could set up an extension campus.

As a result, the electoral process — the one institution that might have saved Guatemala from the convulsions suffered in Nicaragua and El Salvador — has been rendered meaningless. Though marked by fraud and absenteeism, Guatemalan elections have functioned. General Lucas was elected in 1978, and he will step aside for a new head of state next year. The elections generally involve a choice between military candidates. Keeping its grip tight, the military has even rejected offers of college-trained middle managers to serve on loan to improve the civil service.

Complaining Can Be Fatal

The military in Guatemala has outdone similar regimes in El Salvador and in Nicaragua under strongman Anastasio Somoza Debayle in providing schools and clinics in the countryside. But the rural programs have faltered because teachers and young doctors frequently don't show up, preferring to supplement their incomes in the capital.

Also distinguishing Guatemala from El Salvador and Nicaragua is its majority Indian population. "They are real good at stepping aside and getting out of the way," said a scientist. "They have a great resistance to anything non-Indian, and it will take a lot to get them to join in." Recognizing that difficulty, the guerrilla groups that joined ranks last year at the urging of Cuba have announced a "prolonged war," rather than a Salvador-style "final offensive." They project a 15-to-20-year effort centered on the need to win over the Indians, who make up 55 percent of the population.

The Government and its business supporters insist that Guatemala is free from the conditions that contributed to the uprisings in Nicaragua and El Salvador or that could provoke Guatemalan Indians to join ranks with the rebels. "We are in the middle of a professional war between the United States and Russia," said an industrialist. "No one can any longer contend that there was anything internal about the wars in Nicaragua and El Salvador and no Guatemalan can say that there is discontent within Guatemala." In fact, many do, though in the anonymous manner in which political conversations are conducted in Guatemala. Public complaining can bring swift retribution. One prisoner who escaped told Amnesty International, the human rights group, that he had been picked up by the National Police and tortured because he suggested that the community basketball court in his village was not being properly cared for.

Almost all the wealth is concentrated in a few hands, infant mortality is high, living conditions for all but the wealthy are primitive and the illiteracy rate is 80 percent. Frequently, groups branded "communist" and targeted for elimination are social action organizations working to overcome these conditions. The head of one such group who has just left the country because his life was threatened said the overreaction to ordinary organizations occurred after the Sandinist victory in Nicaragua and civil war in El Salvador. "Suddenly, everything that had been normal became suspicious to the army," he said.

The Reagan Administration believes that this polarization was caused in part by deteriorating relations with Washington during the Carter years that brought a rupture in American military training and assistance. There is profound resistance to taking orders from Washington. "Carter wanted to coerce us, the way he did with the Nicaraguans," said an irritated businessman. The United States is disposed to resume the aid, John A. Bushnell, the Acting Assistant Secretary of State for Inter-American Affairs, testified in Washington. Such a move, he said, would be tied to a commitment by Guatemala to curb political violence by its security forces. However, efforts by disenchanted businessmen and others in Guatemala to extract this same promise have been unavailing.

The army needs help to combat a "major insurgency" supported by Cuba and other Soviet surrogates, Mr. Bushnell also said. The army has successfully routed guerrillas in two big campaigns in the last 20 years, but many people in Guatemala think that that kind of military victory is no longer attainable. They say the army itself is responsible, because its methods have aided the guerrillas in attracting support and becoming more sophisticated. "For us," said an elderly worker, "it's going to continue to be a situation of don't live and don't let live."

Sygma / Alain Keler

Maj. Gen. Romeo Lucas García

maccabee
THE INTERNATIONAL BEER.

The Nation

In Summary

A technician testing an element of MX missile guidance system.

Mormons Reject The MX Missile In Their Backyard

The Pentagon's multibillion-dollar scheme for shuttling the MX missile in tunnels around the Southwest has already attracted some formidable skeptics, among them Secretary of Defense Caspar W. Weinberger and Presidential friend Senator Paul Laxalt. Last week, it attracted some formidable opponents, when leaders of the Church of Jesus Christ of the Latter-Day Saints wired their protest to the Utah and Nevada Congressional delegations and to President Reagan.

The statement, issued by church president Spencer W. Kimball from Mormon headquarters in Salt Lake City, is expected to have strong influence on public opinion in Utah, which is predominantly Mormon, and Nevada, which also has a large Mormon population. The Mormon leaders, who denounced the MX because the church's pioneers chose Utah as a "base from which to carry the gospel of peace," have not similarly objected to other large defense installations.

Under the Air Force's preferred "landbasing" plan, all the MX's would be located in Utah and Nevada, in a network of 4,600 shelters dug in a space the size of Pennsylvania. Utah's two Senators, Jake Garn and Orrin G. Hatch, and both the state's Representatives, are Mormons, as is Senator Howard W. Cannon of Nevada. All are advocates of a strong defense, but presumably could be influenced by the stand of their church.

The Air Force was in trouble on Capitol Hill, too. Ted Stevens, chairman of a Senate defense approriations panel, said he thought the service had ignored legislative prohibitions that "would not lock us into one basing mode" for years. Roughly $700 million has been spent on the MX so far; between $33 billion and $56 billion is contemplated for landbasing.

Trial for Williams By Senate Peers

Well before the courts decide whether or not Harrison A. Williams Jr. was improperly snared in the Government's Abscam net, the United States Senate may render a verdict of its own. Mr. Williams could become the first Senator expelled since the Civil War.

The Senate Ethics Committee last week voted to investigate the conduct of Mr. Williams, a New Jersey Democrat who was convicted 10 days ago of bribery and conspiracy. "There is substantial credible evidence that he broke the Senate rules," said co-chairman Malcolm Wallop, a Republican from Wyoming. But Mr. Williams insisted in a letter that he had done no wrong. He also said that he welcomed the inquiry "since I feel that there are numerous troubling issues about Abscam which should be brought to the attention of the committee."

The concern is mutual. The committee will be weighing both the Government's evidence — which includes videotaped recordings of Mr. Williams meeting with undercover "sheiks" — and the effects of its own deliberations on the Senate's reputation. The anxiety about appearance has been heightened by action of the House, which came down hard on its members who were convicted in Abscam trials, expelling one Representative and forcing two others to resign.

In the Footsteps Of Fitzsimmons

For some years, the leadership of the International Brotherhood of Teamsters, the country's largest union, has had an extraordinary disregard for appearances. After the death of teamster president Frank E. Fitzsimmons last week, that tradition seems certain to continue.

Barring the unexpected, Mr. Fitzsimmons will be succeeded by Roy L. Williams, a vice president who is reportedly the target of a Federal investigation into alleged underworld ties. Mr. Williams, who also has been indicted but not convicted on charges that he falsified documents and embezzled union funds, will be named to serve the remainder of Mr. Fitzsimmons's term and then began a full five-year term after a convention next month.

Mr. Fitzsimmons, who took over the union in 1967 when James R. Hoffa went to prison, did not spend any time behind bars himself. But there were frequent allegations that he, too, had close ties to organized crime. In an interview two years ago, Mr. Fitzsimmons acknowledged that "we have some bad people just like anyone else." It was, he continued, the responsibility of the Department of Justice to track down the bad people, not the union's. In a suit that is still pending, the Department of Labor in 1978 accused several union officials — including Mr. Fitzsimmons and Mr. Williams — of "gross mismanagement" involving the handling of the Teamsters' Central States Pension Fund and its $2.8 billion in assets.

Under Mr. Williams, the tradition of aggressively organizing workers, even in industries far removed from trucking, is likely to continue. So will the courting of national politicians. Mr. Fitzsimmons supported President Reagan in last year's election campaign, and last week Mr. Reagan called him "an important and powerful voice in the American labor movement."

More Freedom, Less Information?

Loopholes in the Freedom of Information Act, adopted in 1966, have grown narrower and narrower under amendments by lawmakers and interpretations by law-enforcers. Now the Reagan Administration has apparently concluded that it's time to move more decisively toward getting the public off the back of the Federal bureaucracy.

Attorney General William French Smith, asserting that a thorough overhaul of the act was overdue, last week revoked a policy of the Carter Administration that required agencies and departments to provide data sought under the law unless disclosure would be "demonstrably harmful." The Justice Department also began asking the Federal bureaucracy what it would like to see in a rewrite of the legislation, which has been especially unpopular with intelligence and law-enforcement officials and among executives whose businesses are required to file sensitive information with the Government. The Administration's changes aren't expected to be ready for Congressional consideration until late this year.

Critics were not reassured by Mr. Smith's declaration that, despite his misgivings about the law, Federal bureaucrats shouldn't "conceal or otherwise facilitate fraud, waste or other wrongdoing" by squelching requests for information from reporters, researchers and others with an interest in Government data. Jack Landau, director of the Reporters' Committee for Freedom of the Press, said the Attorney General's pronouncement "stands in opposition to the whole Congressional thrust of the law and the underlying principles that the public is entitled to know as much as possible about how the Government operates."

Dear Mr. Wilson: Don't Build It

In the case of San Diego, neither the prospects of a quick fix for downtown nor the pleas of an ambitious mayor could stay the taxpayers' revolt. Voters participating in the largest balloting-by-mail ever undertaken in this country, according to results announced last week, rejected a proposal to build a $224 million convention center in the rundown center city.

Mayor Pete Wilson, a candidate for the Republican nomination for Governor of California, had been attempting to obtain approval of the convention center for years. After the computer punch cards were counted, he said that he was disappointed for the city but not embarrassed personally or politically. Opponents of the center said the city's taxpayers had been saved from a $224 million white elephant.

More detached analysts said the real significance of the referendum lay in the huge turnout that the convenience of voting by mail had produced. Altogether, nearly 280,000 people voted, almost 62 percent of the registered voters and roughly twice the normal turnout for special elections. "The next step," said Pete Meyer, president of the California County Clerks Association, "is to vote at home over a communications hookup. If we pick up the phone and vote, then we have arrived."

The referendum was the result of a petition drive launched by opponents of the convention center after the City Council authorized the scheme in January. Mr. Wilson and most other city officials were confident that the proposal would be overwhelmingly approved, so they went along with the voting-by-mail, in large part because it would be half as expensive as setting up polling places all over town.

Michael Wright and Caroline Rand Herron

Senate Finance Committee Begins Hearings This Week on Kemp-Roth

Dole Might Just Prefer His Own Ideas on Tax Cut Plan

By A.O. SULZBERGER Jr.

WASHINGTON — When Senator Bob Dole underwent surgery in March for removal of a kidney stone, President Reagan took time to visit him at the Walter Reed Medical Center. Mr. Reagan dropped off a copy of George Gilder's "Wealth and Poverty," the book that has become the bible of supply siders.

Mr. Reagan may very well have hoped that Mr. Dole took the economic scriptures to heart, for the Senator — the new chairman of the Finance Committee — will have a great deal to say about the ultimate shape of the White House's economic program.

Mr. Dole's committee is scheduled to begin hearings this week on the White House tax-cut proposals. And while Senator Dole has kept most of his thoughts about the proposals to himself — in the tradition of his predecessor, Russell B. Long, Democrat of Louisiana — he is clearly lukewarm toward certain aspects, especially the notion that Congress should, in a single bill commit itself to a three-year tax cut.

Nevertheless, the Administration is relying on Mr. Dole and his committee to be a kind of counterweight to the Democratic-controlled House Ways and Means Committee. Should the House of Representatives adopt a tax bill not in line with what the President wants, it would be up to the Senator and his committee colleagues to hammer out in conference committee a joint bill closer to Administration desires.

Mr. Dole used to be regarded as a slashing partisan fighter. In recent years he has mellowed somewhat, and Republicans and Democrats both expect him to chair in a bipartisan manner. Mr. Long rarely ran roughshod over the minority and, so far, neither has Mr. Dole. Generally speaking, no significant philosophical shift is expected in the committee now that Republicans are in charge.

If his actions to date are a reliable sign of things to come, the White House doesn't have to worry that much about Mr. Dole or his committee. Last week, the panel voted to cut $10.33 billion from a wide range of social programs. This was almost $1 billion more in reductions than the Administration originally requested. The committee made cuts in Medicare, a rapidly growing assistance program for the elderly that Mr. Reagan's budget proposals left virtually untouched. "The Administration made the easiest cuts," said Robert E. Lighthizer, the committee's staff director. "We took it a step forward."

While some of the funds may be restored when the House and Senate later attempt to resolve differences between their bills, last week's action indicates a willingness to tackle programs many politicians were once reluctant to touch. The sentiment extends beyond the committee. On Friday, the Senate voted, 49 to 42, to recommend to the panel that it cut $7.3 billion in cost-of-living increases for Social Security recipients and retired Federal employees in the fiscal year beginning Oct. 1.

The depth of the spending cuts approved so far in both the House and the Senate has gone at least some way to enabling Mr. Dole to support the broad kinds of tax changes sought by the President. The Senator's prime concern, stated a few days after the Republicans won control of the Senate, is that the 30 percent, three-year tax cut, an approach known as Kemp-Roth after its House and Senate sponsors, is inflationary. Only after Congress has cut spending, Mr. Dole has said, should it reduce taxes.

How close the Finance Committee will come to satisfying President Reagan completely is still a subject of speculation. But when Mr. Dole and other committee members use the term "multi-year" legislation, not many believe that they are talking about three years. "I think we're going to be much more independent of the White House," said Senator Daniel Patrick Moynihan, the New York Democrat who is a member of the committee. "I don't think we're going to adopt a straight Kemp-Roth." Said another senator on the panel: "Bob Dole hasn't labored all these years to become chairman of the Finance Committee to simply adopt Bill Roth's tax bill."

Last Year's Bill Is This Year's Clue

The clearest preview of what Mr. Dole probably has in mind may be found in a tax bill drafted last year by the Finance Committee. The measure, which had the unanimous support of the committee's members and was even backed by Mr. Reagan, then a Presidential candidate, provided for tax cuts totaling $39.4 billion. Unlike the Administration's proposal, that bill provided for only one round of cuts, $22.4 billion of which would have gone to personal tax reductions and $17 billion as tax "incentives" to business. The personal cuts came in the forms of rate reductions and personal exemptions, the latter viewed by supply siders as unacceptable. They, and the President, want all the relief delivered through rate reductions, in the belief that lower rates encourage people to work, save and invest more.

There are other hints of the directions in which Senator Dole leans in last year's bill, which would have provided a reduction in the capital gains tax, an easing of taxes for Americans working abroad, relief from the marriage penalty, an expansion of individual retirement accounts and tax incentives for research and development. The bill quietly died after Election Day when it was decided that Mr. Reagan ought to have a crack at devising his own formula.

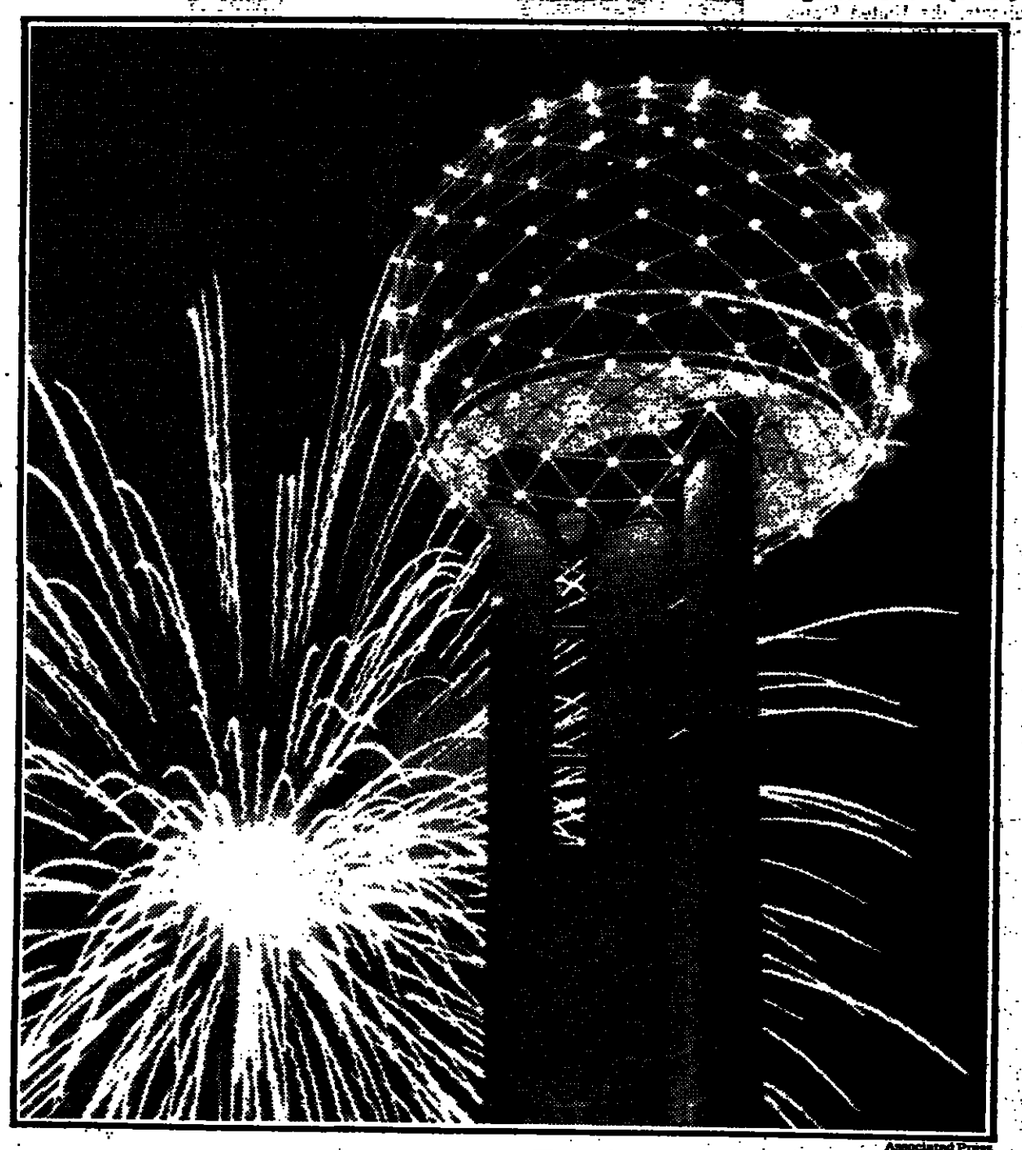
Mr. Long, now the committee's ranking minority member, believes that this year's bill will be more "business-oriented" than the President has recommended. "If the Administration can pass through the House a tax bill precisely the way the Administration recommended it, they'll have a much better chance of putting pressure on the committee and the Senate to vote it through with little change," he said. "But if the House passes a bill at variance with the President, there will be much less of a basis and much less of an inclination for Senators on the Finance Committee to vote on exactly what the President set up."

Once work on a tax bill is completed, one staff assistant predicted, the committee may next take up proposals for restructuring the Social Security system. Mr. Dole has said that without drastic action the retirement benefit trust fund may run out of money by next February. There are, he said, "no painless options."

Black Star/Dennis Br

Senator Bob Do

Dallas Means Business and Vice Versa



Associated Press

Fireworks and Reunion Tower, a Dallas landmark.

By PETER APPLEBOME

DALLAS — When Jack Evans was sworn in as Mayor of the nation's seventh largest city last week, it seemed a perfect match. Evans rose from modest beginnings to become a millionaire businessman, president of the Cullum Companies Inc., a food and drug retailing chain with sales of almost $1 billion. In the same way, Dallas almost willed itself from a desolate prairie trading post to a boom town that seems exempt from most of the nation's urban ills.

The connection between the successful businessman and the business-oriented city is not accidental. As much as any other major city, Dallas has been run by its businessmen. They have handpicked its leaders, set its priorities, and made sure that it's been run the way they run their own companies. As a result, Mr. Evans, who succeeds millionaire land developer Robert Folsom, takes over a remarkably prosperous city. It has the lowest cost of living among American big city and an unemployment rate that is roughly half the national average.

A combination of prosperity and good management have made Dallas a city where the streets are clean, the budget is balanced, and the populace is generally pleased — in short, a city that works. A recent study by the Urban Institute cited Dallas's management of its physical plant as a model for the nation. That business-first ethic has not been without its costs, and Dallas's leadership is no longer the monolith it was. But Mr. Evans will have the kind of troubles that most other mayors would envy.

The Dallas version of a Democratic process has always had a distinctly plutocratic tinge. For years, business control of the city was open and absolute. Since 1936, when local bankers formed the Dallas Citizens Council, an elite group of businessmen has run the city almost by fiat. The group, whose membership is limited to 250 persons, is made up of the chief executives of the largest corporations and banks in the city.

Until a few years ago, the council simply drafted slates of candidates for city elections and provided them with enough money to insure their election. The organization bitterly fought single-member electoral districts for City Council and school board elections, but their advent in 1976, under a Federal court order, meant the end of the businessmen's [illegible] as it had existed.

Dallas now regularly elects three minority-group members to the City Council and neighborhood groups are gaining clout. But Mr. Evans' election after a year in which a badly bungled tax revaluation program aroused more antipathy toward City Hall than any event in years, indicate the business establishment still has the resources and organization to maintain its control.

Mr. Evans, who has never before held public office, was elected April 4, gaining 72 percent of the vote in an eight-candidate race. Before the campaign, not many people were familiar with his name and, on the stump, he displayed a personal style that was considered bland at best. But his victory in an election in which only 17 percent of the electorate voted was no surprise. Mr. Evans raised $221,000, about as much as all the other 28 mayoral and City Council candidates combined, and his early lock on the business establishment's financial resources kept many other possible challengers out of the race.

There are other factors that keep Dallas's politics from straying very far off the old course. The mayor's post pays only $50 a meeting, which means a candidate almost has to have a substantial income to hold the job. The salary is much more attractive for the appointed city manager's job, in which the present occupant, George Schrader, makes almost $90,000 a year. Dallas is the nation's largest city with a council-manager form of government. The nonelected city manager, in effect, is chief executive of the city, which has meant a generally unpolitical, businesslike approach at City Hall.

The city and private enterprise have developed some unique partnerships in recent years. Dallas's most dramatic downtown development, the Reunion Complex, a 30-story mirrored-glass hotel and 50-story tower topped by a geodesic dome, came about after the city swapped land parcels with developer Ray Hunt, son of the late H.L. Hunt. The City Council was informed of negotiations a year after Mr. Schrader and Mr. Hunt began talking. The city built a sports arena on the land it gained without ever going to the voters for approval and then sold $8 million worth of seat option bonds that allowed corporations to reserve the arena's choicest seats.

Almost Hidden Failures

The failures are more difficult to see. Most low-income public housing is in a state of utter disarray; a recent consultant's report said more than $133 million was needed for repairs. Dallas's bus riders, predominantly the poor and the elderly, pay fares that are among the highest in the country. A recent survey showed fares covered an average of 40 percent of the operating costs of transit systems nationwide; in Dallas, the average is 63 percent.

Minority groups hope to win upcoming redistricting battles that they feel will help them overcome, at least match, the business community's superior resources and organization. "White folks control the purse strings, and that control follows naturally right into politics," said John Wiley Price, a black who is co-chairman of the Coalition for Minority Representation. "They've loaned black people money to build churches, open beauty salons and have barbecue places, but blacks have never had a share in the economic base."

Dallas is not immune to the demographic trends that have been disastrous for the nation's old cities. While Dallas grew by 7 percent in the past decade, its affluent, overwhelmingly white suburbs grew by 56 percent. Most of the gain in Dallas came from minorities. Dallas was 66.5 percent white in 1970; it was 57 percent white in 1980.

Mr. Evans consistently has stressed his interest in representing all segments of the community, something his predecessor, Mr. Folsom, never did. At his inauguration last week, Mr. Evans said, "We can make city government more open and responsive," and announced the formation of a group called Partnership Dallas designed to bring a cross-section of private citizens into the city's planning process.

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The Economy

The Textile Industry Shakes Itself Up

By SANDRA SALMANS

ROCKINGHAM, N.C. — The yarn whips across the Nissan loom 10 times a second, piling up cloth at the rate of 12 inches a minute. A jet of water propels each strand, driving it across the face of the fabric three times faster than the fastest shuttle loom — and far less noisily. It is quiet enough to hear the robots beep as they wheel down the wide aisles, picking up rolls of finished cloth and carting them off to the trucks.

Experts say that this is the most advanced textile factory anywhere. Opened one and a half years ago by Burlington Industries, the largest textile manufacturer in the world, this $40 million plant contains the latest technology in the industry. It replaces a turn-of-the-century mill down the road, which produced one-fourth as much fabric with the same 800 employees.

It is on this factory, and others nearly as modern, that the American textile industry is pinning its hopes for survival and future prosperity.

Progressiveness and prosperity have not been virtues traditionally associated with textiles, especially in this Piedmont country that is the heart of the industry. What has tended to characterize textile manufacturers, rather, are father-and-son management, unimaginative marketing and an anti-union militance made infamous by J.P. Stevens, the second-largest publicly held textile company. Propagated by "Norma Rae," the movie based on the Stevens labor dispute, the industry's reputation for backwardness has clung as persistently as cotton dust.

Recently, however, the textile business has been undergoing a technological, managerial and marketing revolution. Instead of merely flailing against imports, it is starting to sell goods abroad. It is bringing in professional management. And it is continuing to invest in new technology, with the result that its productivity is outpacing that of United States manufacturing overall. In the 1980's, analysts say, the textile industry should be more competitive and — a quality that has also long been elusive — profitable.

"They've been through labor problems, government regulations problems, and they've learned to cope with them," said Freddie Wood, a senior vice president of Kurt Salmon Associates, an Atlanta-based textile and apparel management consulting firm. "I'm more bullish on the textile industry than I've been in many years."

But the technology that is increasing productivity and exports, textile executives say, is also spelling the beginning of the end for a number of small companies, which have traditionally been a main part of the textile industry. And in the short term, the industry's prospects inspire less enthusiasm.

With cutbacks in consumer spending in the United States and Europe, textile mills used only 72 percent of their factory capacity in February, the third straight monthly decline, according to the Johnson Redbook, a research service specializing in apparel, textiles, retail and chemical industries. For 1980, capacity use averaged 77.2 percent, compared with 85.6 percent in 1979.

Orders for denim and corduroy have dropped the most precipitously, hurting specialty manufacturers such as Cone Mills and Crompton, which had profited from the worldwide jeans craze.

Nor is it difficult to see new problems ahead. The weak dollar and controlled oil prices, two advantages that American textile manufacturers have historically held over foreign competition, have recently been lost. Apparel imports continue to rise at an alarming rate, reducing sales of United States apparel manufacturers and thus eroding an important market.

Furthermore, the industry's profitability and return on investment, which have traditionally been well below the average for United States manufacturing, are becoming more critical to its survival, analysts say. Because of the huge sums that it must invest in technology, "the big problem facing the industry in the 1980's will be the generation of cash flow necessary to stay in business," said Jay Meltzer, a textile analyst for Goldman, Sachs. "Those that don't, will fall by the way."

At Burlington's state-of-the-art plant here, however, it is easy to be optimistic about the future of American textiles. The mill's main product, an all-polyester fabric that is known in the trade as textured woven, buys man-made fiber from Du Pont that is made more cheaply in this country than anywhere else. The fabric can be manufactured at top speeds, wide widths and in long runs, and it is thus the sort of product for which America's textile mills are uniquely equipped.

Each week, the Rockingham mill weaves 1.8 million yards of this fabric. The cloth sells to such major United States apparel manufacturers as Levi Strauss and Haggar, as well as to foreign customers. Originally, 1,000 people were to be hired to run the mill, 24 hours a day, seven days a week, "but the technology is so good that we saved 20 percent of the labor," said Dale Ormsby, mill manager. Nor was there any labor trouble when the new technology was introduced; like most of the mills, the Burlington plant is not unionized.

Ironically, Burlington and other big American textile manufacturers owe their dazzling efficiency largely to foreign technology. West German-made Barmag machines, priced at upward of $500,000, process the polyester fiber at a rate of 700 meters every minute — heating it, stretching it and putting in a twist. The yarn it produces is fed into some 700 Japanese-made Nissan looms, costing roughly $36,000 apiece, which weave it into fabric with the help of Staubli warp-control machinery from Switzerland.

According to the American Textile Manufacturers Institute in Washington, approximately half of the fortune spent by the industry on new machinery — this year alone, the industry is investing an estimated $1.6 billion on new plants and equipment — is going abroad. While manufacturers still buy materials handling equipment, compressors, combers and some less sophisticated machinery in the United States, the pride of the mills in the Carolinas these days comes from West Germany, Switzerland, Italy, France, Japan and even Britain.

Textile manufacturers are going abroad because, they complain, the best technology is not available here at any price. "In the 1950's, we bought most of our machinery in the United States," recalled Duke Kimbrell, president of Parkdale Mills, a $120 million-a-year yarn spinning company based in Gastonia, N.C. "Then all the manufacturers were bought by conglomerates, stopped doing research and just sold machines."

For his open-end spinning operation (a form of yarn spinning vastly more efficient than the traditional ring spinning), Mr. Kimbrell bought 30 Toyoda frames from Japan. When the yarn breaks, Schlafhorsts, German-made robots, deftly tie the strands together. In the last 16 months, Parkdale has bought eight Schlafhorsts at $386,000 apiece, and has four more on order. "In cost per pound, we can match anything they're doing in Japan," he said.

Thanks to such investment, the industry's record on productivity is one of the strongest at home and abroad. Despite occasional slumps in actual production during recessions such as in 1975, productivity has been rising at an annual rate of 4 percent for the last 20 years, an economist at the textile institute said. According to a study conducted last year by Werner Management Consultants, the United States textile industry has the highest average productivity for spinning and weaving, by a substantial margin.

The American companies also have an edge in labor costs. Of the 864,000 workers currently employed in textile manufacturing — down from the 1973 peak of 1 million — fewer than 15 percent are unionized. And despite the much-publicized battle between Stevens and the Amalgamated Clothing and Textile Workers Union, the work force remains relatively docile — and inexpensive. "The European textile industry is unbellevably mesmerized by social benefits," said William Lord 2d, chief executive of Crompton.

After years of indifference to, or distrust of, overseas markets, American manufacturers of yarn, fabrics and household textiles have begun actively courting foreign buyers. In 1980, they increased their exports by 14 percent, to a record $3.6 billion. That followed a year of even more dramatic growth, when exports rose by 43 percent — admittedly, from a very low base.

Cannon and Fieldcrest, two leading household textile manufacturers, are selling their high-fashion sheets and towels abroad. American-made rugs and carpets, which took a beating when the United States housing construction went into a slump last year, near doubled their exports, to 75 million square yards. The stylish, relatively inexpensive carpets were snapped up by Canada, Britain and Saudi Arabia, where construction is booming.

The biggest beneficiaries of the export boom, of course, have been manufacturers of denim and corduroy, where a made-in-America label carries a cachet even if the jeans themselves are manufactured in Hong Kong. Crompton's exports, for example, are now running at about 25 percent of sales — a falloff from their 33 percent mark in 1979, before the European recession.

Arguably the industry's strongest proponent of exporting, Mr. Lord said that his goal is to sell as much as half of Crompton's production abroad, and he is setting his sights on the Far East. From its office in Hong Kong, Crompton is trying to peddle its corduroy and velveteen to the same Asian clothing manufacturers who have been overwhelming the American apparel trade. "Down the road, the business is going to be re-exporting from the Far East to affluent markets, including America and Europe," Mr. Lord said. "Exporting to Europe is fun, but exporting to the Pacific Basin will be a matter of economic survival."

Even relatively small companies are starting to hustle. In March, about a dozen yarn spinners embarked on their first trade mission to Hong Kong and China. "There's an awful lot of folks over there to keep clothed," said Jim Conner, executive director of the American Yarn Spinners Association in Charlotte, N.C., who organized the expedition.

Today, there are still an estimated 6,000 separate textile manufacturers in the United States; even Burlington, the giant with sales last year of $2.9 billion, had only 6 percent of the business. But consolidation, which has been taking place steadily, has been accelerated by the industry's increasing capital-intensiveness. By one estimate, it will force as many as one-third of the companies out of business by 1990. In fact, Robert Coleman, chairman of Riegel and current president of the textile institute, predicts that there will be mergers even among the top 20 textile makers.

"It takes a lot of money today to buy equipment," said Charles McLendon of Burlington, which invested $215 million on new plants and equipment last year and has budgeted more than $200 million for 1981. "Small companies can still buy used equipment to start up, but that will happen less and less."

The cost of capital is forcing larger companies to rationalize, too. Increasingly, analysts say, they are narrowing their product lines to a handful of areas where they are assured a large market share. "If the company can't be a major factor, it's choosing to walk away from the business," said Jeffrey Edelman, textile analyst for Dean Witter. Frequently, the business being walked away from is apparel textiles, where imports have had their largest impact. In one of its mills, for example, West Point-Pepperell has converted its shirting line to sheets, where the outlook is brighter.

Such changes have been facilitated by the entry of professional management into an industry once dominated by fathers and sons. In the last two decades, a number of companies — notably Cannon, Cone, Riegel and Springs — have come under professional management, and many that are still family-controlled are paying more attention to M.B.A. techniques. "They seem to be running their companies better," said Mr. Edelman.

Shake-out and specialization are just what the industry needs, according to Mr. Wood, the management consultant. "Historically, the industry's basic problem has been overcapacity," he said. "It is shaking down into a rational industry, with a half-dozen companies making towels, a few making denim." For the survivors, "the 1980's will be a much more profitable decade," he added.

Precisely how profitable, however, is hard to predict. One imponderable is the cost to be borne to clear the air of cotton dust, associated with the respiratory ailment, byssinosis. In recent years, manufacturers say, they have been spending up to 25 percent of their capital outlay to comply with Occupational Safety and Health Administration standards.

Last month, however, O.S.H.A. announced that it had decided to review its standard for protection of workers to determine whether the costs of the rule justified the benefits. While labor groups have protested the decision, industry executives say that they are hopeful for some relief.

Textile executives caution that the export bubble could be pricked by the resurgence of the dollar and the decontrol of the price of oil, a prime feedstock for synthetic fibers. At Cannon, where exports are targeted to rise by 20 to 25 percent annually for the next three years, "a stronger dollar could hurt us," cautioned Otto Stolz, the company's chairman and president. One of the newer breed of managers, Mr. Stolz, a New Jersey-born former Washington lawyer, is the first outsider to run the company.

Apart from the denim and corduroy specialty manufacturers, moreover, few companies view exports as more than a bonus or a comfortable buffer against downturns in the domestic market. Burlington, whose exports are currently running at a respectable 7 percent of total sales, has stated that exports are unlikely to exceed 10 percent of total sales in the future. And even Mr. Lord of Crompton noted that some Asian countries have virtually closed their markets to American imports. "You can't get a yard of goods into South Korea with a shoehorn," he said.

Some are even more blunt about the possibilities of markets abroad: "Exports are the big myth of the time," said Mr. Edelman. "They're not the big savior of the industry."

Apparel imports, meanwhile, grew by 8 percent last year, to 20 percent of all clothing sold in this country. With the entry of China, the industry fears, imports could reach 40 or 50 percent by the end of this century. That is bad news for United States apparel manufacturers and, of course, for the people who sell them their cloth. "Every time one of our customers goes out of business, that's a sale we've lost forever," said Mr. Conner of the yarn spinners association. "There's no way we can survive without them."

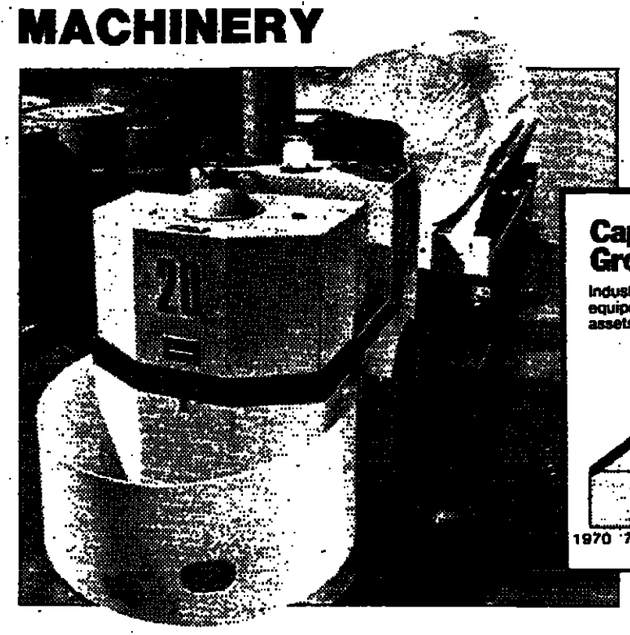
Accordingly, the textile industry has joined apparel makers in clamoring for a more restrictive policy on imports from the low-wage regions, particularly the so-called "Big Three": Taiwan, South Korea and Hong Kong. With the present Multi-Fiber Arrangement, the international agreement signed by both importing and exporting nations, expiring at the end of the year, negotiations on the next M.F.A. opened in Geneva last week. The industry is lobbying for an agreement that would limit annual import growth to the growth of the United States market.

Ultimately, could the textile industry be more directly threatened by imports? "The import problem is an apparel problem, not a textile problem," Mr. Wood said, noting that importers have concentrated on the labor-intensive garment manufacturing. Most analysts and manufacturers, arguing that low-wage manufacturers won't receive an adequate pay-off for such large investment, believe that the American industry will be able to maintain its technological and cost advantage.

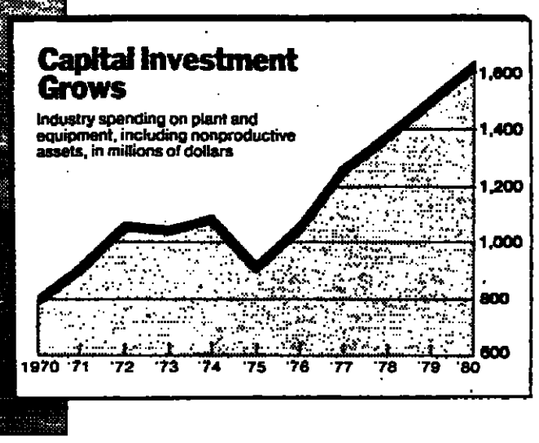
Mr. Stolz of Cannon is less confident. Asia "can buy those looms in Germany and Switzerland, just as we can," he said. "And they don't need our air-cleaning equipment."

Against that day, he added, he is doing everything to fortify Cannon — strengthening its brand name, improving productivity, increasing exports. "You've got to do all those things when imports are insignificant," he said. "If Cannon is successful with its program, we should be able to deal with imports when they make a major push."

MACHINERY

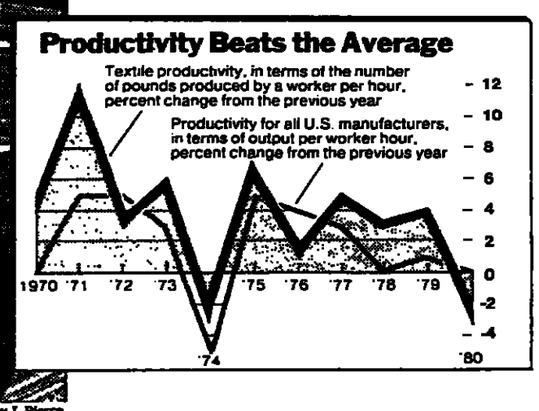


Sharp increases in spending on plant and equipment, from looms to robot tractors, are improving efficiency. But companies complain that environmental costs take too big a share.



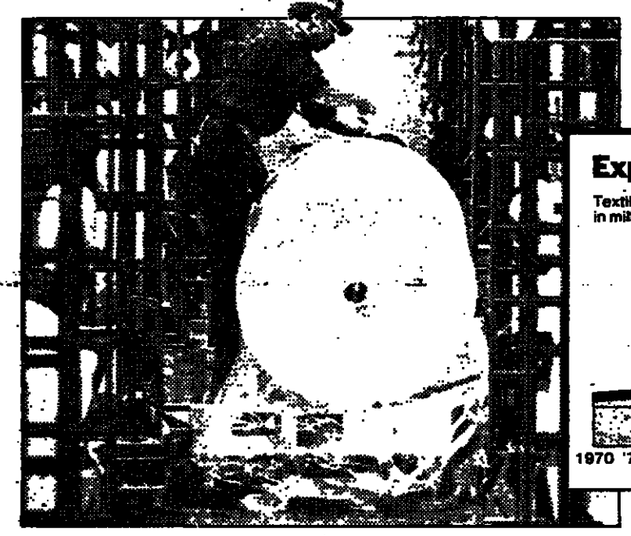
MANAGEMENT

Otto Stolz, of Cannon Mills, is an example of the professional managers who are putting the new machinery in place, and getting more out of their workforces than is true of industry in general.

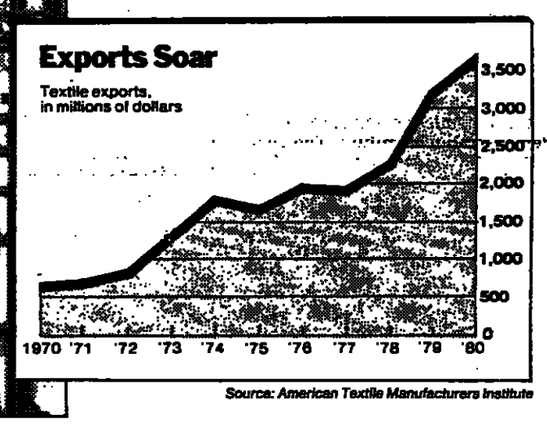


The New York Times/Nancy J. Pierce

MARKETING



With domestic apparel makers hit hard by imports, the textile industry has struck back with an export binge. It started with denim, but now sheets and carpets also stream abroad.



Source: American Textile Manufacturers Institute

THE WEEK IN BUSINESS

New-car sales gained 7.6 percent in the April 21-30 period from the comparable period a year ago, the domestic makers said. Chrysler sales surged 69.5 percent.

Retail chain stores reported sharp sales gains in April, compared with April 1980. Sears was up 20.5 percent; K mart up 18.4 percent and Penney up 21.8 percent.

Consumer credit rose $3.11 billion in March, the largest gain in 18 months. Loans for autos pushed the credit figure up.

The merchandise trade deficit of the United States narrowed in the first quarter to $3.7 billion on a balance-of-payments basis, from $6 billion in 1980's last quarter, the Commerce Department said.

The money supply fell by $3.6 billion in the latest reporting week, the Fed said, reversing the hefty increase of the last few weeks.

Stocks continued to sink on the news of higher interest rates. On Monday, the Dow Jones industrial average plunged 16.48 points. The average closed Friday at 976.40, down 19.19 on the week.

Coca-Cola said its first-quarter profit increased 8.7 percent from the comparable period a year ago. Boeing was up 3 percent. Grumman was down 11.5 percent and General Dynamics was off 15.2 percent.

Rail unions and Conrail management joined in a plan to cut $229 million in annual wages and benefits in an attempt to head off Administration threats to sell the railroad.

A superport 19 miles off Lousiana began operations. The port, known as LOOP, for Louisiana Offshore Oil Port, has been nine years in the making at a cost of nearly $700 million.

The New York Stock Exchange

MOST ACTIVE STOCKS
WEEK ENDED MAY 8, 1981
(Consolidated)

Company	Sales	Last	Net Chng
Conoco	3,417,600	56⅝	+ 7½
IBM	3,191,200	57⅞	− ⅜
Exxon	2,404,400	68	− ¾
ATT	2,261,600	55⅛	+ ½
G Mot	2,096,200	52⅝	− ¾
Texaco	2,061,600	36¾	+ ½
Sony Cp	1,995,300	19⅝	− ⅝
St O Ind	1,820,500	58⅝	+ 1⅞
Sears	1,581,000	18⅞	− ⅛
Atl Rich	1,526,700	51⅛	+ 1
Amax	1,515,300	51⅛	− 5¾
Stor Tec	1,499,700	31⅞	+ 3¾
Am Exp	1,487,600	42¼	− 1
Mobil	1,447,800	61¾	+ ⅛
Cmw E	1,397,400	18⅛	− ¼

MARKET DIARY	Last Week	Prev. Week
Advances	800	615
Declines	1,333	1,322
Total Issues	2,145	2,132
New Highs	48	218
New Lows	118	61

VOLUME (4 P.M. New York Close)	Last Week	Year To Date
Total Sales	221,212,570	4,339,541,433
Same Per. 1980	186,431,910	3,912,589,937

WEEK'S MARKET AVERAGES

New York Stock Exchange	High	Low	Last	Net Change
Indust	89.22	87.46	88.91	−0.69
Transp	76.42	74.71	76.19	−1.37
Utils	37.83	37.13	37.75	−0.12
Finance	73.48	72.60	73.34	−1.22
Composite	76.38	74.92	76.13	−0.62

Standard & Poor's				
400 Indust	150.7	146.9	149.3	−1.10
20 Transp	24.5	23.9	24.3	−0.29
40 Utils	50.1	48.8	49.8	−0.52
40 Financial	14.3	13.9	14.2	−0.21
500 Stocks	132.8	129.6	131.6	−1.06

Dow Jones				
30 Indust	985.4	964.5	976.4	−19.19
20 Transp	421.9	409.1	418.4	−5.46
15 Utils	107.1	103.1	105.5	+0.04
65 Combo	381.0	371.3	377.7	−5.53

The American Stock Exchange

MOST ACTIVE STOCKS
WEEK ENDED MAY 8, 1981

(Consolidated)

Company	Sales	Last	Net Chng
Hudson Bay	1,927,600	26	+ 7⅛
Dor Gas	691,500	22¾	+ 1⅞
GltCda	513,800	22¼	+ 1½
HouOTr	501,500	31⅞	− 1
Resrt wt	488,900	5⅝	+ ½
RangerO	456,300	13¾	+ ⅛
CrystO	355,600	35⅞	+ ⅞
InstrSy	355,000	1	− ⅛
Compo	351,600	6¾	+ ¼
Wang B	336,200	41	+ 2½

MARKET DIARY	Last Week	Prev. Week
Advances	281	295
Declines	525	521
Total Issues	935	929
New Highs	39	77
New Lows	44	25

VOLUME (4 P.M. New York Close)	Last Week	Year To Date
Total Sales	25,134,385	505,481,520
Same Per. 1980	17,171,280	564,545,030

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Leadership Is a Good Horse

The news of the week was THE REAGAN VICTORY. At least it was part of the news. When the Democratic House voted for the President's stringent budget by a 77-vote margin, even Democrats were impressed. "He's a winner and he's a hero," said Thomas Foley, the Democratic whip.

Still, all the news was not triumph. On the very same day, there was another headline: RECORD RATE ON 30-YEAR U.S. BONDS. That was not just short-term wobbling by traders. When big long-term investors insist on getting 13.99 percent interest, it is a flaming signal that they do not believe inflation will be conquered. How able a leader Mr. Reagan is will now turn not on how much capital he has won in the political arena but on what he can buy with it in the economic.

There is no minimizing the President's political accomplishment. It was a lesson for the rest of us in leadership — and how not to generalize too quickly about the weakness of the modern Presidency. Consider the wild gyrations of opinion in one generation.

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The Presidency is weak, said James MacGregor Burns in his 1963 book "The Deadlock of Democracy." Congress blocks or kills most bold Presidential proposals. Yet within a few tragic weeks, Congress was falling all over itself to support a new President. Before long, many thought the Presidency not only strong, but too strong. By 1974, Arthur Schlesinger was writing of an imperial Presidency. By May of Jimmy Carter's first year, once again, people were saying, too weak.

Ronald Reagan has shown he is a leader. He has wisely concentrated his Administration's energies on the economy. And his lieutenants have been tactically adept; they are said to know the Hill so well they even know what brand of cigars Speaker O'Neill smokes (Don Diego). Small wonder that they defeated the Democrats' budget plan. That plan was not really hostile to, or very different from, the Reagan approach. It was skillfully designed, reasonable — preferable. Yet it was mashed flat.

Victory notwithstanding, there is little cheer in the news from the markets. Any economic program must try to do two things: retard inflation and stimulate growth. But when long-term interest rates hit 14 percent, it means people don't believe inflation is coming down. The skidding stock market, meanwhile, suggests vast skepticism about growth. Having won a political license for holding back Federal spending, will the President now use it?

Will he chop spending for the truly *not* needy, as discussed below with respect to Social Security? Will he be bold enough also to curtail the invisible kind of spending, through tax breaks? Will he now sharpen his proposals for tax cuts and investment incentives, to make them efficient stimulators of growth?

Unless he does, THE REAGAN VICTORY last week may end up as the high point of the Administration. To paraphrase Matthew Arnold, leadership is a good horse, but a horse to ride somewhere.

Time for Surgery on Social Security

The Social Security system needs a major overhaul if it is to remain solvent through the next decade. Yet President Reagan has talked only about modest changes of transitory value. Preoccupied with other budget issues and eager to shed his reputation as the enemy of this most popular social program, the President has no taste for another fight. But thanks to pressure from Representative J.J. Pickle and his Democratic colleagues on the Ways and Means Committee, Mr. Reagan may have no choice.

Mr. Pickle is doubly right to press for reforms now. Major changes would assure the stability of the social insurance system. They would also relieve the pressure on the Federal budget and thus head off more painful cuts. Mr. Reagan should seize upon this Democratic opening.

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The immediate issue is pure politics. Everyone knows that a change is necessary in the way cost-of-living adjustments are made. Now they are linked to the Consumer Price Index, which tends to overstate costs for older adults. Linking raises instead to the national average increase in wages would cost less — potentially $7 billion less this year. But Democrats and Republicans are now engaged in an elaborate minuet to avoid taking responsibility for the change.

The real issues, however, are much tougher than political appearances.

Undermined by high inflation and slow economic growth, the Social Security fund is barely making ends meet. A few trims in benefits might let it get through another five years. But unless it is reformed in more controversial ways, the cost of the program — and the taxes supporting it — are likely to double by 1986.

Congressman Pickle proposes two dozen changes, but the financial bonanza lies in just two of them: a gradual delay in the retirement age and a shift of some medical costs to the Federal Treasury.

To slow the growth of America's retired population, Mr. Pickle would begin in 1990 to raise the full-benefit retirement age in stages from 65 to 68. That change is overdue. Americans' life expectancy has increased by five years since 1950. If the nation were rich, it might choose to invest in the luxury of longer retirements. But with incomes stagnating, it makes no sense to encourage those who are fit to abandon productive labor. And Mr. Pickle would leave an escape hatch: reduced benefits, as now, for those who retire as early as age 62.

But later retirements are no answer to Social Security's immediate needs. For these, Mr. Pickle offers a more conventional and less satisfactory remedy. Starting in 1983, he would give the system $1 from general Government revenues for every $2 collected in Social Security taxes for Medicare. This would yield an estimated $28 billion a year by 1986 and certainly assure the system's solvency for the foreseeable future. But the price would be the loss of that revenue for perhaps equally worthy programs.

The practical alternative, fitting the Reagan Administration's goal of reducing the size of government, would be to lower the Social Security benefits of those who are not "truly needy." And the fairest path to that end would be a tax on pension checks, earmarked for the Social Security trust funds. Since people over 65 are exempt from taxes on roughly the first $7,000 of income, the elderly poor would not be hurt.

President Reagan's delay on Social Security has been understandable so far. But his own Administration estimates that the cost of Social Security is now rising by $45,000 *a minute*. These days, time for reflection does not come cheap.

Mom

A mother is a woman who, one Sunday in May, is presented with a ruffled blouse. Or perfume. Or breakfast in bed. A phone call anyway. And honored with a Presidential proclamation. "Mothers," this year's reads reassuringly, "... remain the heart of the American family."

What else are they? Sometimes, as far as their children are concerned, they're the only game in town: nearly 15 percent of all American households are maintained by women only. Married or single, more than half of those with children under 18 work — and, contrary to legend, simply because they need the money.

Many of them are mothers by choice; others aren't. Some have a talent for child-raising; others don't. But those who do everything right may turn out serpents, while those who do everything wrong may be rewarded with jewels.

The average mother can assume that, however happy the circumstances, there'll be at least one day when she asks herself why she brought that ungrateful wretch into the world — and that someday that ungrateful wretch, if she is a female and eventually a mother, will ask the same question of herself. More likely than not, the irritation that prompts the question will be justified; the guilt that will follow it won't be. No matter: she'll suffer it anyway.

Depending on the decade, mothers are told to consult the experts or follow their instincts; to show their feelings or disguise themselves in discretion; to allow the twig to bend or train it from the start. And no matter which routes they choose they're never quite sure the other wouldn't have been better.

There is, in fact, only one thing a mother can ever know for sure, and that's that her children will talk about her all their lives. "My mother," they'll say "was the kind of woman who . . ."

Fresh Air and Friendly Towns

Brenda screamed. The creature in front of her looked huge, and its horns threatening. Thinking back on the experience, Brenda says, "At first I was scared because the cow be so big. Then I take the rope and lead her around the pen."

The ultimate understanding between child and cow was engineered by a "Friendly Town" family with whom Brenda spent a blissful vacation from her own home in Brooklyn's Bedford-Stuyvesant. Brenda was one of more than 11,000 disadvantaged New York City youngsters who last year found relief from hot tenements through the auspices of The Fresh Air Fund. In 320 cooperating Friendly Towns, from Maine to Virginia, host families annually open their homes and hearts to urban kids.

An additional 2,500 youngsters are sent to The Fund's summer camp in Fishkill, N.Y., where they learn to swim in a sparkling lake, breathe the clean air, and run barefoot through the fields free of gangs, drugs, arson and fear.

Last month, in a letter carrying a $68 donation, two women wrote: "Twenty-seven years ago, The Fresh Air Fund made it possible for two sisters, six and seven years of age, to go to camp, for the first time in their lives to escape the heat and clutter of New York City, where they both lived and grew up . . . . We thank you for the happy days while going to camp, which still linger in our memories."

Nothing has changed — except the need and the cost, both of which have grown. Last year, it took nearly $2 million to serve the children. A day's food at camp has gone up by nearly 50 percent in three years. And while host families donate their hospitality, The Fund has to pay the rising costs of getting the youngsters out and back.

The Fresh Air Fund has fulfilled its promise every year since 1877. It must do so again this year. Tax-deductible contributions, and inquiries about becoming a host family, should be sent to The Fresh Air Fund, 70 West 40th Street, New York, N. Y. 10018.

Letters

Homemaking as a Secure and Protected Partnershi

To the Editor:

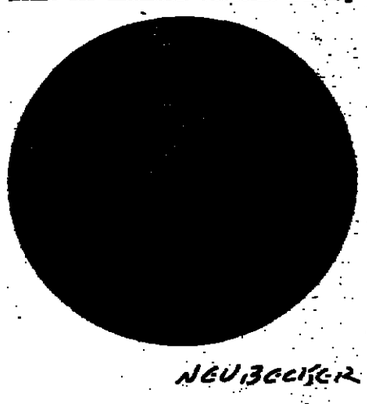
Rae André's plea to "turn homemaking into a secure occupation" (Op-Ed April 29) brings to light many of the contradictions that women are faced with today.

Having been brought up in a traditionally conservative household with a career-oriented father and a home-oriented mother, I have the problem of attempting to reconcile the value and importance of family with the growing concern for equality between the sexes. Women must uphold the significance of their role as mothers, a role that only they can fill. But must they shoulder all the responsibility for the home and the rearing of children? Why is the woman singled out and blamed for the destruction and demise of the family?

As suggested by Rae André, the unwritten definition of the woman's role in the family has been that of an unpaid yet fervently dedicated employee, subservient to and economically dependent on her employer, her husband. This definition is slowly becoming outmoded, although millions of American women are still homemakers. The reduced status and stigma attached to this occupation, which is the backbone of the family structure, should be completely done away with.

Women today have the same basic options regarding careers as men have had for generations. (It may have been easier when there weren't so many options!) Having made considerable headway in creating equality between the sexes on the job front, women have the added problem of maintaining this equality while at the same time working to redefine their status on the home front.

Whether working outside the home full- or part-time, women are expected to simply fall into the role of homemaker also. This situation creates difficult choices for many women. It is frequently necessary for a woman to obtain a job outside the home for financial reasons. Family



NEUBECKER

and home life suffer as a result, because the woman cannot afford to stay at home. Many women, though financially secure, are made to feel that they are inept if they do nothing but "keep house."

The low-esteem and low-status notion of homemaking must be altered so that women and men regard it as a legitimate and productive occupation from which many rewards and benefits, even though not monetary, may be reaped.

NANCY KLINGHOFFER
Philadelphia, April 30, 1981

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To the Editor:

While heartily agreeing with the feelings and opinions expressed by Dr. Rae André, I would like to offer one further suggestion. I believe that the conce what a marriage is, or should be, urgent need of revision, or perha should say resurrection. The fact the functions of husband and house are entirely different does not n that their tasks are unrelated, or the two are unequal in their cont tions to the support of each other that the achievements of each are joint accomplishments of both.

The top officers of a modern shi the captain and the chief engi They work in entirely separate tions on board, and their duties ar tally different. The captain navig the vessel, but unless the engineer performs his chores, the ship is unlikely to reach its destination.

So also in a marriage. Whatev achieved either in the internal or e external sphere of its existence joint achievement of both membe the team, whatever the roles of ea

Marriage is often spoken of partnership. In other kinds of part ships, whatever is earned is com earnings. Individual roles ma planned or debated without argu about equal shares in the returns. is the way it should always be marriage, and so, I am happy to has it always been in mine, w began more than 50 years ago.

Anything I may have accompli beyond the four walls of home is my accomplishment, but ours, a p uct of the partnership that fostere and something that would not h happened were it not for that part ship.

ALBERT EIDE F
South Strafford, Vt., May 1,

The writer is director emeritu the American Museum of Natural tory.

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Spouses' Retirement Pla

To the Editor:

Rae André calls for measures will provide the economic and psy logical security that homema need in order to function." Prof Andre's call follows a condemnati the Family Protection Act as "re sive."

As chairman of the task force originally prepared the Family tection Act, I believe Times rea should be informed that the prop legislation includes a provision Retirement Savings Plan for spou Under the plan, an employed taxp would be allowed to set aside u $1,500 a year of non-taxed income retirement account for his un ployed spouse.

As with existing Individual Re ment Accounts, money saved an terest earned under the Retirem Savings Plan for spouses would no considered taxable income until beneficiary draws upon it.

Probably anyone who had to do shaping the Family Protection would agree that this one provi designed to offer a measure of sec to those who are the most defens against being alone in old age wit resources, the nation's homemal does not offer enough.

We considered additional provi but finally settled on the bill as it turned over to its sponsors. Our was that if we included too many gressive" ideas, the legislation w be vulnerable to the inevitable att of organized militant feminists an Rae André's case, the criticis such "experts" as professors of h trial administration.

GARY POT
President, Catholics for Chri
Political Ac
Washington, April 29,

Reasoning May Be Evolving, Not Failing

To the Editor:

A news article that appeared in the April 29 Times, "Reading Data Indicate Decline in Reasoning Ability," reported a "decline in inferential comprehension," the ability "to draw conclusions, form judgments, and to create new ideas." The decline was particularly in the Northeast, "where students have usually been the highest-performing in the country."

Perhaps we should consider the possibility that in the continuing evolution of civilization, methods of reasoning may change: conclusions may be different, judgments unusual and what will be new ideas are at the present totally baffling.

What seems logical and even "natural" now may not be the kind of reasoning future generations will adhere to, and if this is so, the younger (school-age) members of our society may in subtle ways be beginning to reflect the changes. Measuring devices based on older forms of reasoning would indicate decline of reasoning ability, but that would be the failure of the measuring device, and not proof that the change was really a decline.

To carry this argument a step further, I would like to suggest one possible change that reasoning is undergoing. That change is toward a more finely tuned awareness of the essentially paradoxical nature of much of life's experiences, that the further one carries a "rational" argument, the nearer one gets to its contradiction.

MARIANNE CUMMING
New York, April 30, 1981

A National Job Registry Has Yet to Materialize

To the Editor:

Two reports in The Times of May 6 indicate that the Reagan Administration is both abandoning its proposal to computerize personal data concerning welfare recipients and persevering with efforts to develop a so-called workfare program.

Without deprecating either the right to individual privacy or the ability of people to enjoy gainful employment wherever they may be, the question remains: Whatever happened to the conservative plan for a national job registry, which would link *willing* applicants with listed open positions, and which could also trigger Federal tax credits for distant employers who provide moving expenses?

In an Administration so committed to the free-enterprise system, the concept of workfare would seem to be the byproduct of pushing the ideologue's woof too far up the humanitarian's warp, with the usual result of producing a social fabric ending in a surplus of fringe.

HARVARD HOLLENBERG
New York, May 6, 1981

Where's the Assurance of Saudi Restraint on Arms

To the Editor:

We, the undersigned members of the American literary community who hold diverse shades of opinion on many political and social issues, are at one in our deep dismay over President Reagan's decision to provide Saudi Arabia with the most sophisticated military equipment in the U.S. arsenal — ostensibly as a defense against a possible Soviet threat.

If Sheik Ahmed Zaki Yamani, Saudi Arabia's powerful oil minister, is to be believed when he protests that the true threat to his nation is Israel — as opposed to the merely "potential" threat of the Soviet Union — then the Reagan Administration's primary rationale cannot stand.

That the Saudis have cast their demand for our most advanced weaponry in the form of "a test of American friendship," and that the President does not hesitate to capitulate, calls to mind two charged words: blackmail and appeasement. Are we to understand that our leadership has adopted a policy of allowing unstable and untested foreign nations to dictate our military-aid determinations, no matter that an ally's fate is in the balance?

Indeed, if our actions as a friendly government are to be "tested" by the Saudis, then the moment has come for such a friendship to be sharply defined. Friendship in any culture, even in one so different from our own as Riyadh's, must signify above all a relation of reciprocity: mutually respectful equality rather than manipulation and exploitation. What acts of friendship are demonstrated by a kingdom whose policies and attitudes run counter to many of democratic America's most essential interests and ideals?

Where it counts for America — in the oil market — have the Saudis ever shown any international restraint not grounded in the coarsest self-interest?

While the Reagan Administration calls for an end to world terrorism and cautions against Soviet imperialism, the Saudis persist in supplying the Soviet-trained, Soviet-armed, Soviet-backed terrorist P.L.O. with over $200 million annually.

The Camp David process, which the U.S. helped to fashion and which we continue to support as the best avenue to Mideast peace, is actively opposed by the Saudis — is, in fact, condemned as worthless. Thirty-three years after their armies joined in attacking the newborn Jewish state, the Saudis still openly press for the destruction of Israel, the only stable and reliable ally the U.S. has in the area. And finally, the Saudis warn us that if we do not supply the arms they demand, they will turn to the Soviet Union — to those very Soviets President Reagan tells us those very arms are supposed to deter.

The Saudi claim that advanced American weaponry would be put only to defensive use is untrue on its face. F-15 "add-ons" — among them Sidewinder missiles, extra fuel tanks and, of course, Awacs — are devices designed to facilitate attack, to target and annihilate from a distance, and with uncanny accuracy. They could be used from deep within Saudi territory to spy on and destroy every plane and tank Israel possesses, crippling Israel's capacity to defend itself.

Only three years ago, when the Saudis were initially provided with the F-15's, these add-ons were pledged to be withheld precisely because they were seen to endanger Israel.

If America's word is so transitory, if it can be reversed and repudiated so casually, then what of our credibility everywhere, among both friends and enemies? Such an erosion of trust in promises can only serve to exacer Mideast tensions. It can harden Isr position on peace terms. It will tainly encourage a new Mideast a race — something not in the intere any of the countries in the region, the U.S. And it will not lessen by iota the real danger the Saudis face ternal revolution. Has our leader learned nothing from Iran?

Can our leadership assure us t terrifying weapons will not be tu against America's vital needs in Gulf area? Will the Saudis, once in session of the means to crush Isr defense system — despite consis expressions of unrestrained enmity cluding a recent call for *jihad*, holy — nevertheless hold themselves in straint? On the basis of what past formance does the Reagan Admi tration promise us Saudi restr now?

It is not too late for President Rea to reconsider his ill-advised step point American policy in the direc of national dignity and common sen

SAUL BELLOW, E.L. DOCTOR
JOHN KENNETH GALBRA
NORMAN MAILER, ARTHUR MILL
BARBARA TUCH
New York, April 27,

The letter carried 21 additional sig tures. All signers are associated w Writers & Artists for Peace in the M dle East.

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هكذا من الأصل

WASHINGTON

Reagan's 'Historic Victory'

By James Reston

ASHINGTON, May 9 — The capi- of the United States was so pretty weekend and the Reagan Adminis- ion was so happy about its "his- c victory" in Congress that it al- st took everybody's mind off the s.

n the home front, the House of Rep- entatives, last refuge of the Demo- ts in the national Government, ed 253-176 for Reagan's $688.8 bil- budget — approving the largest cetime military expenditures in nation's history and cutting back y of the social welfare programs oduced by the Democratic Party in last 50 years.

n the foreign front, the President ounced a "positive and construc- " meeting with Prime Minister ko Suzuki of Japan, and emerged fly from his convalescence in the te House to embrace Secretary of e Haig and proclaim Haig's per- nance at the recent conference the NATO allies as a "triumph."

ell, there is something to these ms, but not quite as much as the inistration is making of them. No t the President won a political vic- over the Democrats in the House, there is an important difference ween beating the Democrats — gan's favorite game — and beat- inflation and governing the ntry.

his was undoubtedly a critical and ifying vote. The President con- ed the country that it was time for ange — to cut the Carter budget cut taxes — or at least time to give a chance to prove his conservative osophy. On TV and in the Congres- al cloakrooms, his team did a bril- t job of political persuasion and or- ization, and took away 63 Demo- ic votes from Speaker O'Neill, who everything going for him except lic opinion.

evertheless, Mr. O'Neill's miss prove to be his mercy. If Tip and other Democratic Party liberals won, or even forced the Republi- conservatives to compromise, gan could have blamed them for using the issue and denying him chance to prove that his conserva- philosophy of cutting the budget, ing taxes and increasing defense enditures would reduce prices, in- st rates and unemployment, and lly wipe out inflation and balance Federal budget. Now he has a chance to prove it.

the foreign front, there was some ress, but no "triumphs." Haig uaded the NATO allies to warn the ets that they should behave a little er if they wanted the U.S. to talk t limiting European-based nu- r missiles, but in turn he had to ise to renew the arms talks with cow.

tually, the Administration had lit- choice: In order to get more U.S. ear missiles on the ground in tern Europe, Haig had to agree to w the stalled arms control conver- ons. The allies are well aware that or five outspokenly anti-Commu- officials in the Reagan Pentagon White House tend to oppose Haig's ious efforts to get back to the ne- ating table with the Soviets, so went along with Haig's compro- in the hope of bolstering his posi- with Reagan.

e President has been taking a e moderate line on the U.S.S.R. in nt days. He has written to Presi- Leonid Brezhnev about the con- of military arms. He authorized to promise the NATO allies that s with the U.S.S.R. would be re- ed, and he has been toning down anti-Communist rhetoric.

is is still, however, an Adminis- ion without a clear, consistent for- policy voice at the top or for that ter a coherent foreign policy. It de- ces the Soviets one day and lifts grain embargo the next, without quate consultation with allies who reluctantly gone along with the argo.

aig didn't like the decision on wing grain sales to Moscow and irritated when the Secretary of iculture initiated talks with the ets as soon as the embargo was d and without consulting the Cabi- But as in the decision to put pres- on the Japanese to limit auto s in this country, domestic politi- considerations prevailed.

he Administration has not solved apanese problem. There is still an ion in this Administration that hington can use the Japanese as of a subsidiary to our foreign cy in the Pacific, pressing them to m, to reduce their exports in pun- ent for their success. But there's nger that this will revive Japan's nt nationalism, and this danger not removed by the courtesies of Suzuki visit.

it's still a little early to celebrate ajor shift in U.S. policy at home abroad. The President has un- tedly won the right to put his do- tic program into law and his vic- over the Democrats in the House strengthen his position abroad, much depends on whether his pro- n achieves the results he has nised.

aybe the Reagan recovery pro- n will work without a wages-and- es policy, but the inflation goes on. budget passed by the House is $42 on more than present spending, it anticipates a $31 billion deficit. this tends to moderate the enthu- m here for the President's "his- victory" in the House and Haig's umphant" mission in Europe.

A street parade at 135th Street and Lenox Avenue, in Harlem, in 1925. Schomburg Collection

'Harlem Today Resembles Nothing So Much As France After the Great War'

By David Levering Lewis

STANFORD, Calif. — History reserves a special paradox for great, dead cultures: They survive largely as resonant place names.

That is Harlem's apotheosis now. Like Lawrence Durrell's Alexandria, G. W. Cable's New Orleans, and Carl Schorske's Vienna, Harlem is now acquiring an afterlife more vivid and varied, and more meaningful, than it had at any time before its slow, sleazy death in the late 1970's. For vividness and variety, there are the successive Broadway musical hits, "Bubbling Brown Sugar," "Eubie," "Ain't Misbehavin'," "Sophisticated Ladies"; for meaning, there is a lengthening bibliography of scholarly works.

Harlem? Harlems, one should write, for there have always been at least two coeval, co-mingling, competing Harlems, almost in Augustinian mode: the civitas of culture, political ferment, and bourgeois values (the Harlem of the New Negro and of the Renaissance) and the Unheavenly City of proletarian disability, "primitive" exhibitionism, and institutionalized venality (Harlem as "Nigger Heaven," in Carl Van Vechten's phrase, with the segregated Cotton Club of the 20's and the stylish pimp and pusher of the 60's and early 70's as its symbols).

The physical monuments of Harlem's Golden Age, the glorious 20's, are, alas, fast disappearing; and, unfortunately for the plans of preservationists, considerations of scale alone would seem to preclude either public or private benefaction sufficient to turn the city above Central Park into a vast Williamsburg.

On once shimmering, ostentatious "Sugar Hill," the apartment buildings are fortified or empty, their canopies and doormen long gone, their lobby tapestries stolen and vases smashed. The legendary Manhattan Casino (155th Street and 8th Avenue) crumbles in the chiaroscuro of an elevated highway. The splendid Stanford White houses along "Strivers' Row" (West 138th and 139th streets), despite telltale fraying, still nobly stand. Some venerable old churches — Abyssinian Baptist, St. Philip's Episcopal — present proud facades to the public and declining attendance to their pastors. The Apollo Theater, refurbished but bankrupt again, the solid, brooding Dunbar Apartments, that Harlem Renaissance dormitory for virtually every professional, intellectual, and celebrity in Afro-America, are about all that remain — these and the Lafayette Theater (now a church). Significantly, Harlem's newest building is the Schomburg Library, repository of its past.

Even by the early 1940's, the Afro-American poet-novelist Arna Bontemps saw unmistakable signs of community decay: "At least one reason for avoiding the Harlem night streets in 1943 would have been the fear of muggers." It was not just muggers, though. "No matter what else one might see there," Mr. Bontemps recalled, "Harlem remained what it had always been in essence: a black ghetto and slum, a clot in the American bloodstream."

By the mid-1960's, the game, upbeat bard of Harlem, Langston Hughes, seriously thought of moving permanently to Paris, having earlier vented his rueful sentiments in the masterly "Montage of a Dream Deferred": "What happens to a dream deferred? . . . / Maybe it just sags/ like a heavy load. / Or does it explode?" Yet even this festering, teeming, *carpe diem* Harlem crackled with energy — if only the terminal vitality of a *danse macabre*. It was a dark, distorted reflection of that between-the-wars Harlem that had sought an end run around racial barriers by excelling in *belles lettres*, highbrow music, and fine arts.

The reverse Harlem also merchandised dreams, but in a high-tension, anti-society in which many of its best and brightest trafficked, with self-destructive ingenuity, in sex and drugs.

Today, the aviary of illicit entrepreneurs and its rows of double-parked luxury cars are thinned out. Depopulated — in 1980, down by 114,000 from its 1970 census of 275,000 — inhabited by the very old and the very young surviving on whatever welfare Reaganomics will leave them, Harlem today resembles nothing so much as France after the Great War.

If the extinction of what was once the world's largest, most alive urban community of black people has come about largely because the artists and intellectuals of the past and the desperate talents of recent times, as well as thousands of intact, hard-working families, have moved productively into the American mainstream, then success — bootstrap mobility — ought to gladden our remembrance of things past. Lenox Avenue, like Hester Street, will have become a synecdoche for the melting pot, and Harlem's prospective gentrification a benign chapter in urban America's future.

But what if the ravaged community represents, archetypaliy, not the past but the future of much of Afro-America? What if the Harlem poor have merely dispersed to less moribund but equally doomed places?

Where did Harlem go? Statistics conflict in detail, but, in general, are depressing. Hope urges that the correct answer is not: to Gary, Newark, and East St. Louis.

David Levering Lewis, a Fellow at the Center for Advanced Study in the Behavioral Sciences, is author of "When Harlem Was In Vogue."

Where Have All the Grandparents Gone?

By Kenneth L. Woodward and Arthur Kornhaber

Children are hurt, angry, and perceptive

Who needs old people? Children do. In particular, they need their grandparents and grandparents need them. Lengthy interviews during the last three years with 300 children and as many grandparents have convinced us that the bond between grandparents and grandchildren is second in emotional power and influence only to the relationship between parents and children. Indeed, such is the power of this basic biological bond that grandparents affect the lives of their grandchildren, for good or ill, simply because they exist.

Unfortunately, most grandparents today ignore that bond, to the emotional deprivation of the young. Of the children we visited, only 5 percent reported close, regular contact with at least one grandparent. The majority (about 80 percent) see their grandparents only intermittently — not because the families have moved away but because the grandparents have chosen to remain emotionally distant. These children are hurt, angry, and very perceptive about their purely titular grandparents. One youngster put it this way: "I'm just a charm on grandma's bracelet."

The fortunate few described a variety of irreplaceable roles that close grandparents play: caretaker, storyteller, family historian, mentor, wizard, confidant, negotiator between child and parent, and role model for the grandchild's own old age. By contrast, children who had no experience at all of their grandparents drew their images from negative news-media stereotypes or frivolous television cartoons. "I guess my grandparent would be Fred Flintstone," one child said. "He's always there when I come home from school."

When grandparents and grandchildren are closely bonded, they confer upon each other a form of immunity that no one else can give: With close grandparents, children do not have to perform as they must for parents, peers, and teachers because grandparental love comes with no behavioral strings attached. Even an indifferent parent can become a nurturing grandparent because the emotional conflicts that occur naturally between children and parents do not exist between grandparents and grandchildren. That nurture is reciprocated by grandchildren. When a child and a grandparent establish a deep emotional attachment, that grandparent is removed from the ranks of the anonymous aged. He, or she, becomes something unique to a child: a "great parent."

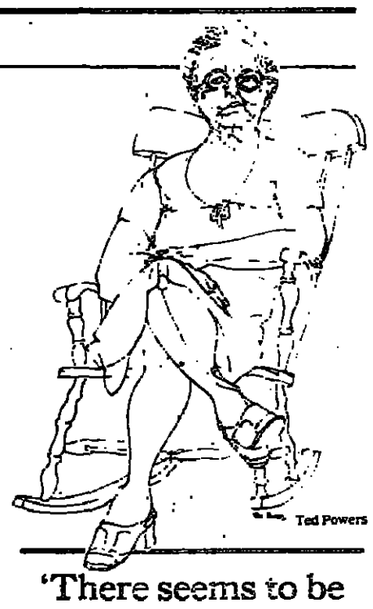
Yet there seems to be a conspiracy of silence surrounding this fundamental bond, especially among experts on children, the aged, and the family. The Carnegie Council on Children, for example, spent five years probing the welfare of American children, but in its final report, "All Our Children" (1977), the word "grandparents" never appears. In "Why Survive? Being Old in America", the psychiatrist Robert N. Butler's Pulitzer Prize-winning study, there is only one reference to grandparents: a prefatory thank you to his own grandparents.

Nowhere in the various agendas advanced for the aged, including the White House Conference on Aging, is the importance of grandparents emphasized. Consult the academic experts: In psychological abstracts, there are more references to grasshoppers than grandparents. Read reigning historians of the American family: They argue, usually for purely polemical purposes, that the three-generational family is a myth. But all children know intuitively that their parents came from parents, and they are mystified when those "great parents" abandon them.

The only real experts on grandparents are grandchildren. When we asked today's grandparents to recall their own grandparents, they told us stories of sturdy 19th-century men and women of awesome personal influence. But when we asked these same grandparents to describe their influence on their own grandchildren, they spoke of missed opportunities, of grandchildren they hardly knew, of paralyzing fears of "meddling" with their children's children.

The irony is that there are more grandparents alive today then ever before. In the next 60 years, demographers predict, the over-65 population will double. Because of this "graying of America" and its effects on the economy, some experts envision an era of unprecedented intergenerational strife in an age-segregated society where the old will no longer command the respect and support of the young.

This much is certain: Children who have been emotionally orphaned by their grandparents are not kindly disposed toward old people in general. Elders are to society what grandparents are to families: sources of emotional wisdom, stability, and strength. If there are no functional grandparents in the family, there can be no respect — or place — for elders in society. There can only be "old folks'" homes, retirement "communities," and other isolation wards for the aged.


Ted Powers

'There seems to be a conspiracy of silence'

Kenneth L. Woodward is a senior writer for Newsweek and co-author, with Arthur Kornhaber, M.D., of "Grandparents/Grandchildren: The Vital Connection."

ABROAD AT HOME

Terror And Tragedy

By Anthony Lewis

A group of terrorists, highly disciplined and utterly brutal in its disregard for human life, set out to overthrow the existing order and establish a Marxist state. Its methods are murder and intimidation; most of its victims are innocent civilians.

Such a group would be almost universally detested and condemned in this and other Western countries — right? Wrong: not if it is the Provisional Irish Republican Army.

The death of Bobby Sands last week demonstrated once again the curious romantic mist that obscures some people's vision when they consider the I.R.A. The Massachusetts House passed a resolution honoring Sands. Others treated his self-imposed death as a tragedy akin, say, to the untimely loss of a war poet.

Bobby Sands was about as poetic as the characters in the old Warner Brothers gangster movies. He had a long record of criminal violence. Ah but the cause, the sympathizer will say, the glorious cause. Some glory. Some cause.

The Provisionals' political platform calls for a Marxist system — nationalization of banks, insurance, mining and all key industries, with no private farms either. All this would be applied not only to Northern Ireland but in the present Irish Republic. The Provisionals say the Dublin Government is just as "bankrupt" as British rule in Ulster.

Not many voters in either part of Ireland are likely to be attracted by that radical ideology. Nor can one imagine it having magnetic appeal for Irish-Americans in Massachusetts or elsewhere. But the Provisionals do not emphasize that platform. Instead they present themselves in a much more compelling role: as the opponents of British rule in the North and the champions of a united Ireland.

Britain's long history of involvement in Ireland has indeed been a disastrous one, bearing the bloody marks of oppression and starvation. Even now in Northern Ireland, despite the elimination of the all-Protestant local government, Catholics suffer discrimination in employment and other areas.

Moreover, in my judgment, the withdrawal of Britain from Northern Ireland is a wise long-term objective. Most Britons would themselves like to get out, escaping what has become a financial as well as a moral drain.

But the question — the damnable question — is how to achieve the end of British withdrawal without appalling human consequences. That is where the true potential for further tragedy lies.

The Protestants of Ulster have for a long time been a stubborn, clannish lot. Again and again they have blocked chances for peaceful resolution of the British-Irish tangle. But their fears and militance have been goaded to new heights by the Provisionals' campaign of violence over the last decade.

Matching the I.R.A. gunmen now are the well-armed forces of the Protestant ultras. There are a million Protestants in Northern Ireland to about half that many Catholics. And the loudest political voice being heard in the province these days is the demagogic one of the Rev. Ian Paisley.

Given those facts, what would be likely to happen if British forces dressed up and left one day? The Protestant gunmen would no doubt move on the Catholic population centers in Belfast and Londonderry, trying to bottle them up or occupy them. The Provisionals would resist and call for help from outside. You could have a civil war that would make Cyprus look like a picnic.

What, then, can be done to move toward British withdrawal with a hope for peace and stability afterward?

The politicians in London and Dublin know the beginning of the necessary formula. It is to involve the Republic and the North in some kind of all-Ireland framework: perhaps just a talking-shop council at first, but working toward deeper collaboration. The hoped-for end would be a united but federal Ireland, with a degree of local control in the North, all in some special form of association with Britain.

There is no escaping the need to reassure the Protestants about maintaining their identity and the link to Britain. Their families have been there, many of them longer than whites have been in America. They cannot be wished away.

But there is no escaping, either, the need to start acting forcefully toward a solution now. That is where both Margaret Thatcher of Britain and Charles Haughey of the Republic are to be criticized: for not saying openly and boldly that they want an Irish solution in an all-Ireland framework.

The Provisionals do not bring a solution closer; they bring on the unworkable politics of extremism. That is why it is so sickening to see their blackshirt tactics romanticized. When people tell me about the glories of the I.R.A., I remember a news item that appeared in The Boston Globe in 1977:

"BELFAST — Gunmen burst into the home of a 24-year-old Protestant woman and shot her dead in bed, police said yesterday. The intruders then shot at the woman's 3-year-old daughter, but she was saved apparently because a teddy bear she clutched stopped a bullet. Margaret Anne Hearst was a part-time member of the Ulster Defense Regiment [auxiliary police]. The militant Provisional wing of the outlawed Irish Republican Army claimed responsibility for the killing."

Arts & Leisure

Art, Money, Jitters And Jealousy Spice Cannes Film Festival

By PAUL CHUTKOW

CANNES, France

To get the feel of the Cannes Film Festival, one must begin by ordering a champagne cocktail on the terrace of the Hotel Carlton. In these stately surroundings, watching the sun dance on the blue Mediterranean, the mind conjures a vision of the Riviera that enchanted Scott and Zelda Fitzgerald in the 1920's.

But reality punctures the dream. During the Cannes Film Festival, the Croisette — the city's boardwalk — turns from an opulent parade of European and Middle Eastern society to a tacky, choking mob of wheelers, dealers and pretenders. The perfume of brine and lilacs is overwhelmed by the fumes of exhaust and cigars. All around rises the deafening clamor of agents hawking their wares.

At the 34th Cannes festival, which opens Wednesday and runs through May 27, this cadence of glamor and sleaze will again provide the background for the real business of Cannes: movies and money. For the more than 2,500 journalists expected to attend, the main excitement will be the competition for the festival's best film award, the Golden Palm.

Michael Cimino's "Heaven's Gate," after costing more than $30 million and being panned by most U.S. critics, is in the competition in the hope of a better reception from international critics. Likewise Bob Rafelson's version of "The Postman Always Rings Twice.' "Excalibur," the new film by Irish director John Boorman, will have its first foreign showing here, as will the latest from Bernardo Bertolucci, "The Tragedy of a Ridiculous Man." There are also a runner-up prize for best film and awards for best actor and actress.

For professional filmmakers and amateur film buffs, as always, dozens of other films will be screened outside the official competition, including many works that may never again be shown outside their native countries. The special series entitled "A Certain Regard" will again seek to promote talented young directors, and this year's homage to a great director will be a retrospective of the films of Luis Bunuel.

For most producers and distributors who come to Cannes, though, the real action is not in seeing movies. They come to sell their own movies, buy foreign rights, negotiate distribution agreements or find partners for coproductions. According to the French film journalist Jean Pierre Lenotre, a Cannes veteran: "Only 15 percent of Cannes is the film competition. The real importance of Cannes is the 85 percent that's business."

Foreign sales are handled through what is called the Cannes "market," where production companies screen new films for prospective foreign distributors. Most of the remaining business takes place at the Carlton, whe major studios and independent production companies set up offices for the fortnight and often hold private screenings of their unreleased works in progress. When a company has a film in the official competition, the day it is screened, this office coordinates publicity, press conferences, probably a party and certainly negotiations for foreign rights.

Because money is tight and the film industry is going through some difficult times, it would be understandable if this year there were more than the usual pre-festival jitters. But it is worse than that. Both here in Cannes and at festival headquarters in Paris, there is now an almost palpable anxiety that even an institution as mighty as Cannes at any moment could fall victim either to political whim or to a well-heeled parvenu with a gift for hype. Certainly some of these jitters trace to France's presidential elections, because the French Government pays about two thirds of the festival budget, a figure never made public. The future of the festival is considered secure no matter who wins today's showdown vote between President Valery Giscard d'Estaing and Socialist party leader François Mitterrand. But according to French film writer Catherine Laporte and other industry insiders, a Mitterrand upset would inevitably lead to a shakeup in the festival hierarchy.

Another reason is that for the past two years, the respective presidents of the jury, first French author Françoise Sagan and then American actor Kirk Douglas, have gone public with complaints of unseemly pressures in the selection of festival awards. To make matters worse, last year's event produced so many complaints of price-gouging and poor local facilities that a special coordinator had to be appointed to help work out new operational guidelines. On top of all this, and ostensibly because of it, for the first time Cannes also has some potential U.S. competition: the recently concluded Los Angeles Film Market.

"What's the news from L.A.?" was a question heard all over the French film circuit at the end of April. Most of the reports reaching here said the results of the American experiment were decidedly mixed, but that has done little to quiet the nerves of festival organizers and Cannes merchants, many of whom count on the festival for an important chunk of their annual income.

The talk around town is of dark, mostly American plots to undermine the festival and its all-important sideshow, the international film market for brokering foreign sales. Word has even got around of a "gentlemen's agreement" among U.S. independent producers to minimize spending at Cannes and not to throw the expensive parties once considered de rigueur.

At the center of all this anxiety is festival president Robert Favre Lebret, who for more than 30 years has used his diplomatic skills to guide the festival's transformation from its artisan beginnings to what he calls today's "industrial festival." It was he who took the brunt of Françoise Sagan's attack, and he has been widely criticized for his handling of the televised festival awards night, often resembling a Hasty Pudding spoof of the Academy Awards. Even his admirers wonder if it might not be time to retire, but at over 70 Mr. Favre Lebret gives every indication he intends to endure.

"Of course there are problems. How could there not be? Last year some 37,000 people came and more than 2,500 journalists," Mr. Favre Lebret said recently. "We are a little suffocated by our giantness, and we are a victim of our own success. Obviously, we can't please everybody."

It was after 1968 that Cannes began its incredible expansion to its present size. Despite this year's pre-festival instructions to local merchants, Mr. Favre Lebret said a real solution to the present organizational problems could only come with completion of the new festival palace, expected in 1983.

Gilles Jacob, the festival's number two man and a film critic responsible for choosing films for competition, is also taking steps to ensure that henceforth jurors are chosen mostly from the profession.

"Nor are we going to take anyone who isn't delighted with the idea," he said.

Because juries have been made up each year of different directors, producers, performers and critics from all over the world, it is extremely difficult to find any common thread to their choices for best film, except perhaps a preoccupation with the quality of director. Since 1970, American films have won or shared in top honors six times and Italian movies three times. An Algerian film won the Golden Palm in 1975; last year the Palm went to Akira Kurosawa's Japanese war epic "Kagemusha" and Bob Fosse's "All That Jazz."

Except in the case of Francis Coppola's "Apocalypse Now," which shared the prize in 1979 with "The Tin Drum," there is no discernible preference for movies of either big budget or big name stars. Mr. Coppola's first Golden Palm was in 1974 for "The Conversation," and Martin Scorsese triumphed with "Taxi Driver" in 1976. In 1970, the popular American film "M.A.S.H." won the best film prize, but the 1978 award to the Italian film "The Tree of the Wooden Clogs" showed that Cannes was not favoring the highly-commercial film.

The 1978 prize brought international prominence to "The Tree of the Wooden Clogs" and millions of dollars worth of foreign sales, which Mr. Favre Lebret said it might not otherwise have had. With high financial stakes, and sometimes entire careers, on the line, it is not surprising that interviews with a number of industry insiders and former jurors turn up a common conclusion: that there is an inevitable degree of psychological pressure put on the jurors, from most of the parties concerned, but that it would be almost impossible to pre-arrange a prize.

As Mr. Jacob pointed out, what he is looking for during his screening of some 350 films over the year, are "cinematic events" among the final 30 films in competition. For international films, Mr. Favre Lebret and Mr. Jacob are helped by a selection committee but they have the final say. For French films, the last word rests with a panel of French industry professionals and critics.

The problem is that not every director or producer of a potential "cinematic event" is willing to run the risk of unveiling his work at Cannes, where critics are known to be especially tough. According to Mr. Jacob and Philippe Selz, who distributes American films in Europe through the Cinema International Corp., Americans are especially reluctant unless a film has already had success at home.

"If I see a film I want at Cannes, but the director and the producer are reluctant, I try to start negotiations," Mr. Jacob explained. "It takes enormous diplomacy, when a film will be finished, the planned released date, etc., but there is never any question of promising prizes or anything like that. Never. We have no control over the juries."

A case in point was Mr. Coppola's prize for "Apocalypse Now." As Mr. Jacob remembered it, entering the film in competition was a tremendous gamble for Mr. Coppola because the film had already stirred a controversy because of production delays and substantial budget overruns.

"There was no need to negotiate with Coppola," Mr. Jacob said. "The only issue for him was whether to actually enter it in competition. He's a gambling man, so he did." According to Joan Dupont, an American film writer who works for the French industry weekly Le Film Français, Mr. Coppola was able to name his terms, short of a prize, in exchange for agreeing to use Cannes for the 1979 world premiere of "Apocalypse Now."

Indeed, Miss Sagan went even further and charged that Mr. Favre Lebret had "arranged" for "Apocalypse Now" to share top honors with her choice, "The Tin Drum." In an interview, Miss Sagan stood by the charge and even claimed, "Each year it's the same story."

Whatever the truth of that, the French film establishment now has closed ranks in the face of all criticism. In France, at least, Mr. Jacob and his selection process are of unquestioned integrity.

Still, as Mr. Jacob himself said, "Every French film journalist dreams of being a juror at Cannes, and according to insiders more than one French journalist would like to move on to Mr. Favre Lebret's post, honorific though it sometimes seems. This underlines what some people claim is the real art of Cannes: knowing how to make the jurors aware of the will of the festival establishment and of the social and other consequences for failing to carry it out.

Nevertheless, it is in the so-called film market here that intrigues appear the most Machiavellian. The man the locals are watching most carefully is a gifted promoter named Bernard Chevry, who already runs markets in Cannes for international cable television and record sales.

Some well-placed members of the Cannes establishment think Mr. Chevry would like to extend his entrepreneurial talents to the film festival, which would give him control over Cannes's three largest and most highly lucrative international gatherings. According to this line of thinking, Mr. Chevry has no interest in the artistic side of Cannes, only in gaining a foothold in the film market. Because of his television market, Mr. Chevry already has strong contacts with Hollywood's independent film companies, many of whom make movies for television. Since the impetus for the Los Angeles film market came from these pendents, some members of the establishment imagine there links between Mr. Chevry, the geles market and all those complaints about Cannes.

Over his own champagne Alan Kimber takes all this light-hearted equanimity. As of the Carlton and as a young Englishman, Mr. Kimber his institution through the festiv the same care with which he the pruning of the bushes on race, the amount of olive oil in pacho and the consistency of the berry charlotte he has finall suaded his pastry chef to try.

Mr. Kimber knows to whom last-minute room, how much to for the billboard space he offers the festival and how to keep in Carlton bartenders and doorme are alleged to be able to arrange anything, for the right price. It most without saying that he ne have the very best intelligence who's doing what to whom and to have the discretion ne show it. Not surprisingly, Mr. refuses to discuss the workings festival and confines his rema what happens in his own hotel.

"I can see the headline now can't prostitute the French!" sa Kimber laughing. Bribing to try a hotel room, or a taxi or an inv to a screening goes on and proba ways will, he said.

Drawing b

Paul Chutkow is a freelance writer based in Paris.

Videodisks in Battle

By HANS FANTEL

We are being dragged, willy-nilly and perplexed, into the era of the video wars. The opening skirmish is now being fought between two rival systems of videodisks. Defending its priority as firstcomer is the Laserdisc, developed by Philips and espoused by Magnavox and Pioneer. It is now challenged by RCA's wholly different videodisk, launched in March with nationwide hoopla. Both are now battling in the market, issuing hopeful and contradictory bulletins. And to thicken the plot, a third contender waits in the wings. It is the VHD videodisk, spawned by a Japanese consortium under the banner of Panasonic, ready to pounce by Christmas. All three are incompatible. They're out to kill each other, and we — the public — are to decide who wins by paying our money and taking our choice.

This column will discuss sound quality as well as other aspects of this new equipment.

What are our choices? To clear up widespread confusion, we must first distinguish between videodisk and video cassette. These two are quite different creatures whose competitive bidding for public favor marks yet another level of conflict. Videodisk and video cassette differ in exactly the same way as a phonograph differs from a tape recorder. The videodisk is the counterpart of the phonograph: It will play a disk in both sight and sound, but it will not record television programs off the air. The video cassette recorder — usually called VCR for short — corresponds to the audio cassette recorder: it will both play *and* record.

Since the videodisk won't let you record, what is its advantage? Partly it is cost, partly the quality of image and sound. It is yet too early to predict the price level at which videodisk players will be sold once the supply is ample, development costs recouped, and competition effective. But insiders believe that disk players will be available for about $400, which is about $300 less than the current price of a fairly inexpensive VCR. And a two-hour videodisk, presently selling between $15 and $28 (depending on program content) is expected to sell for about $10 in the future. This would put the price of a sight-and-sound disk on a par with the current price of an ordinary phonograph record.

Compared with the typical $40-80 price for a two-hour prerecorded cassette program, the price advantage of the disk is evident. It therefore represents an attractive option to viewers who do not care about recording TV shows off the air but who like to own a video library of their favorite films and other theatrical fare, along with some of the "how-to" disks (cooking lessons, home maintenance hints, etc.) now being issued.

As for technical quality, all three videodisk systems produce a picture clearer in detail and truer in color than any VCR. Viewers with good TV sets of recent vintage, capable of true color and fine image detail, will be especially aware of this. On ordinary TV sets, the difference will be less noticeable. As for sound quality, videodisks win hands down — especially the Laserdisc and VHD, which can carry wide-range stereo sound. Of course, to realize this advantage, the sound must be played through a good stereo system — not the wheezy mono amplifier and flimsy speaker found in most ordinary TV sets.

Obviously, the videodisk has something going for it, and it is not unreasonable to expect that disk and cassette will happily coexist in video just as they now do in the audio field. What endangers the future of the videodisk is not the purported rivalry between disk and cassette but the rivalry among the three incompatible disk formats.

The root of incipient chaos lies in the incompatibility of these three disk systems. You cannot play a Laserdisc on a VHD machine and vice versa, and neither will work on an RCA player. In this writer's widely shared opinion, it is absurd and possibly fatal for three such incompatible systems to be presented to — or foisted on — the public as the fallout from a worldwide trade war.

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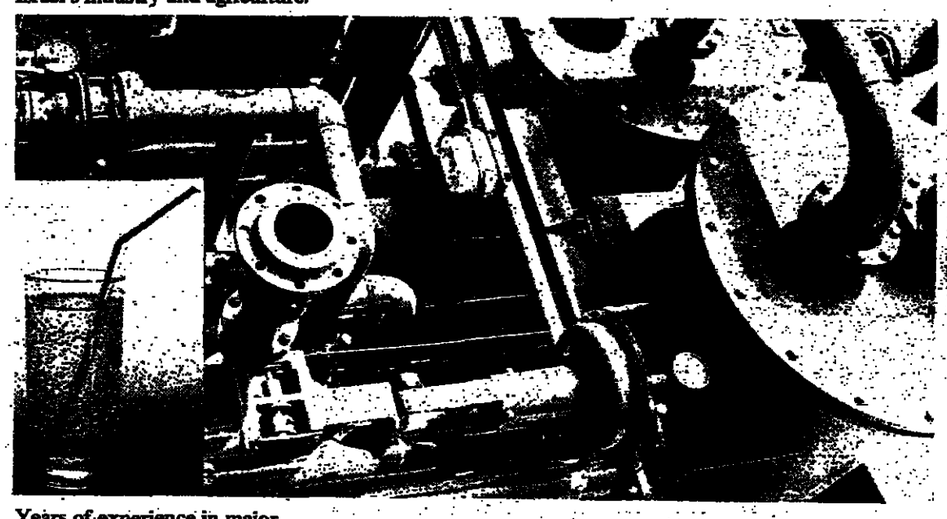

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BEQUESTS TO THE STATE

(Continued from page one)

darim of the Talmud: uncovering hand's-breadth and covering up).

The comptroller wrote, near the ginning of the section in his 1980 ort to which I was referring, that he wake of a complaint, his of- carried out a cross-check in- ction to see how decisions on the of bequest moneys were being en. He did not explain the nature he complaint, and he did not say ether it was aimed against body personally.

But Blum told me frankly that the nplaint was lodged in part inst himself, on the grounds that was a board member on a nber of bodies which got money n bequests to the state from time me.

"I resigned from all those rds," the administrator-general me. "Maybe, aesthetically, it ld have been better for me not ave been a member. But in any , the state comptroller did not e to any negative findings about role, as you can see in his rt."

he state comptroller, in his acteristically cloudy way, dis- ed the problem of conflict of in- sts towards the end of the rele- section, without linking this to complaint he mentioned earlier nonymously. He merely hinted e possible existence of many nalies of conflict of interests regard to bequests to the state, was apparently not referring to Blum himself, but to civil nts in the half-dozen ministries lved.

pointed out that the rules of Civil Service Commission cribe that even if a civil servant no conflict of interests by- ng on the board of some in- ion, he requires the permission is minister or his director- ral, which will be denied if the ution and his Ministry work in ar fields.

PROBE that followed the plaint against Blum must have d the Justice Ministry. While it under way, the comptroller e the Justice Ministry an- ced that the permission of the ney-general himself was re- d before a member of the nistrator-general's staff could on the board of an institution ng bequest moneys. Blum, at ate, resigned his membership veral boards. But the state troller wrote, in his peculiar , that *only one* of the nistrator-general's staff *com-* with the Justice Ministry's instructions.

anks to the vague phrasing, we never know whether Blum's continue to be board members dies which get moneys, or er these aides sought and ob- tained the attorney-general's permission to stay on these boards.

The state comptroller suggested that civil servants in all the ministries that handle or distribute bequest moneys should also be totally barred from the boards of institutions seeking bequest moneys.

However, I have been assured on excellent authority that the number of civil servants in the Ministries of Religious Affairs, Education, Social Affairs and Justice alone who are involved in bequest moneys yet sit on the boards of recipient associations, exceeds a dozen.

An enquiry into this issue would take months. It would uncover many a can of worms, I was assured.

THANKS TO a tip-off from a relative in France, I discovered the existence of a parallel channel for the transfer of earmarked bequest moneys to Israel.

Entitled the Central Charitable Fund of Israel, it was registered in February 1976. It was formed to handle bequests which could not be sent here from abroad, for a variety of technical reasons, through the administrator-general.

I learned that Amram Blum is chairman of the board of the fund. The other members of the board are well known and highly respectable former civil servants.

Blum told me that his chairmanship was approved when Haim Zadok was minister of justice, "in order to solve various problems," and hence is not open to criticism. He said that the decision, whether to channel an earmarked bequest through the administrator-general, or through the chairman of the board of the central fund, is taken by the legal experts abroad according to the circumstances of the bequest and the situation in Israel.

(Whichever hat he wears, Blum carries great weight in advising a potential testator, through these experts, exactly which institution to leave the money to).

I asked Blum to give me details of institutions in Israel which had got bequest moneys through the Central Charitable Fund, pointing out that the secrecy rules pertaining to the ministerial committee would not apply to an extra-governmental body.

Blum refused to give the names of any recipients. One of his colleagues on the board of the fund, Dr. Ya'acov Arnon, former director-general of the Finance Ministry, also refused, and referred me back to Blum.

The most baffling thing of all was Blum's statement to me that whereas the Central Charitable Fund had handled important bequests when it was first set up, its significance had greatly diminished of late.

He got one of his secretaries to bring him a file which he said, contained material on the fund, and then told me that in the last balance-sheet, all it was recorded as receiving was $580 from one single donor.

This was puzzling, because annual receipts of $580 did not appear to justify the maintenance of a secret fund, whose chairman — Blum himself — was merely described in the fund's deed of trust as "an advocate."

Later, I played back the tape recording of the interview again and again to make sure I had heard right — $580. My conclusion was that the fund might just as well be dissolved.

THE FUND has never yet been mentioned in the state comptroller's reports. But a few days after I had enquired about it at his office, an official there told me they knew of the existence of the fund that it was being inspected this year, and that it might be mentioned in the 1982 report.

The same week, by a remarkable coincidence, I received an invitaiton to a press conference in Jerusalem from a body entitled the P.E.F. Israel Endowment Funds Inc., which is represented in this country by a Philip Goodman of Jerusalem. Goodman had mailed me, along with his invitation, the last two annual balance-sheets of the P.E.F.

I did not attend the press conference, but out of curiosity, I glanced through the balance-sheets. I was surprised to see that in 1979 the P.E.F. gave the Central Charitable Fund of Israel $12,750. In 1980 it gave the Central Charitable Fund of Israel $37,300.

With sums like that, from one single source, I changed my opinion that the fund chaired by Amram Blum was best dissolved. Instead, I reached another conclusion; that the facts could not be squared with Blum's statement that all the Central Charitable Fund got, in its last balance-sheet year, was $580.

I still fail to understand why Blum kept the file of the Central Charitable Fund from me, as though it were a state secret.

THE FINAL TASK I set myself in my investigation into the secrecy surrounding bequests to the state was to probe the administrator-general's statement to me that the details of all recipients would now be published in the State Budget.

Blum explained that prior to 1979-80, bequest moneys circumvented the state budget and the accountant-general's books. Instead, the recipients were paid directly.

He explained that the bequest moneys would not be itemized at the start of the budgetary year, when the budget is tabled, but at the close, and following the decisions on distribution, by the Ministerial Committee on Bequests.

In my enquiries, I was fobbed off by vague replies from several civil servants, till I found one relevant document. This concerned the IS1.5m. which the committee allocated to the Religious Affairs Ministry at its meeting of July 29, 1980, and which was split among 88 recipients.

The document, from the Treasury's budget division, was dated February 1, 1981. It simply added the sum of IS1.5m. to the Religious Affairs Ministry's budget, as a transfer from the administratior-general. Not a single recipient was named; not a single sum was printed; simply the overall figure.

Despite Amram Blum's assurance to me, therefore, that from now on everything would be public and above board, the real truth is that the facts about bequests are still secret, except to the ministerial committee, to the clerks who sign the cheques in the Treasury's budget division; and to a couple of top officials in the six ministries making the recommendations.

The public does not know; the Knesset does not know; not even its all-powerful Finance Committee knows. No wonder, then, that the anomalies, distortions, favouritism, and half-truths relating to non-earmarked bequests to the state have been able persist for so long.

This is the last of three articles.

Hotel with too many rooms to seal them off from guests

By ABRAHAM RABINOVICH
Jerusalem Post Reporter

The newest hotel in Jerusalem will have a feature as old as the pyramids — sealed off chambers hiding its innermost secret.

The secret in the case of the King Solomon Sheraton according to the Municipality, is an alleged building violation that gave the 154-room hotel at the foot of King David Street 10 rooms more than they had a permit for.

The municipality demanded that the five-star hotel seal off the 10 rooms before it issued the hotel a business licence permitting it to open. With the opening delayed for weeks because of the dispute, the hotel has now acceded to the demand although there are differences over how many rooms are actually being closed.

Hotel manager Phil Navon said yesterday that he hoped the licence would be issued in time to permit the hotel's first guests to check in by the end of this week. Until now, he said, guests with bookings had been diverted to other hotels. Navon said seven rooms were involved, not 10.

Municipal officials said that the extra rooms had been added by taking space from corridors and other interior public areas rather than by enlarging the exterior envelope of the building. The alleged violation was discovered by municipal inspectors checking the building.

"We didn't want the extra rooms simply locked, we wanted them sealed off with walls," said a city official. "If the rooms were just locked with a key, the temptation to open them again would just be too big." He said agreement had been reached on the subject last week in a meeting between the hotel owners and the deputy city engineer, Yoel Marinov.

The owners of the hotel could not be reached last night for comment.

The municipality intends to take the hotel management to court on the alleged building violations even after it issues a business licence. A municipal official said that if the court upholds the city's action, the rooms would be sealed off permanently.

Meanwhile, court action is expected shortly on the municipality's request for an order halting construction work on the Laromme Hotel opposite the Sheraton. The hotel had added 3,491 square metres of floor space without going through regular planning approval procedures that would have given the public a chance to object. The hotel has since begun those procedures, and a revised plan, including the changes, has been deposited for public comment.

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Haga Exercise — Today — Jerusalem

day, Monday, May 11, there will be a Haga exercise in Jerusalem. ga, the fire brigade and Magen David Adom will participate in the ercise. During the exercise, the klaxons of fire engines and ıbulances, etc., will be sounded, and rescue operations, fire hting and evacuation of wounded persons will be staged.
the event of a real attack, sirens will be sounding with a rising d falling note.

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at the Belgium House Faculty Club, Givat Ram campus.
Coffee will be served following the lecture.

Cuts in U.S. food aid to prevent Egyptian farmers from producing less

By LEON HADAR
Jerusalem Post Correspondent

NEW YORK. — Some American congressmen and agricultural economists are convinced that the large influx of U.S. food to Egypt discourages farmers there from producing. They advocate a cut in the hugh chunk of food aid that now goes to Egypt, according to the *Christian Science Monitor*.

Egypt has been receiving 44 per cent of the food that the U.S. sells on easy terms under Title I of the American Food for Peace Programme. The House Foreign Affairs Committee is expected to debate legislation that would put a ceiling of 30 per cent on aid to any one nation.

According to the *Monitor* "Support for Egypt has been treated like something of a sacred cow," and Egypt's strategic importance has discouraged U.S. lawmakers from tampering with the steadily rising aid programmes for fear of negative effects on President Sadat's delicate domestic economy. The Egyptians have used Title I aid — worth $312m. this year — to help bring down food prices and ease consumer burdens.

But now, as the Egyptian economy is looking stronger, some U.S. congressmen such as the sponsor of the new ceiling, Rep. Lee H. Hamilton of Indiana, say they believe that no country should be automatically granted a high percentage of food aid. They also are convinced that the large influx of U.S. food is discouraging Egyptian farmers from producing. The bill's 30 per cent ceiling, which would not take effect until 1983 thus giving Egypt's economy time to adjust, is facing fierce opposition from the Reagan administration.

BUDGET. — Kuwait expects to increase its oil revenues by about 11 per cent, to 4.9 billion Kuwaiti dinars ($19b.) under a proposed budget for the new financial year beginning July 1.

Arabs have oil for only 46 more years

KUWAIT (AP). — A report issued yesterday by the Organization of Arab Petroleum Exporting Countries (OAPEC) warns that Arab oil will be depleted by the year 2,027. It contends that the life span of Arab oil reserves has fallen from 97 years in 1960 to 46 years in 1980, "despite huge new discoveries made in the OAPEC member states."

OAPEC said that proven oil reserves in the Arab world have declined by 2.2 billion barrels in 1980, compared with the figures of 1979.

The report added that the oil reserves in the Arab world represented 51.8 per cent of the world's total.

Should country's only subway be shut down?

Haifa's gloomy Carmelit

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. — Haifa's Carmelit subway has sunk into such a state of neglect that the municipality, which runs it, might do better to close it rather than allowing it to bring a bad name to the city.

Deputy Mayor Yosef Blaustein, who is in charge of the Carmelit operation, told *The Jerusalem Post* recently that very little can be done to improve the subway's appearance. He explained that the dirty black ceilings of the stations were a sort of "natural disaster." The porous rock into which the subway was hewn 25 years ago by a French company made it impossible to plaster the ceilings. Instead, they had been covered with a kind of netting, "which absorbs all dirt can't be washed."

He shrank away from the ide simply whitewashing the ceili because that would attract e more dirt. However, "we'll se one day we can't clean them t little," he said.

Blaustein brushed away observation that station floors dirty too with the remark that " is a problem of all mass tra systems."

The Carmelit has to put up vandalism, too. The metal lette station names are frequen removed and neon light tubes stolen.

Blaustein said the number of sengers using the Carmelit e day had fallen off lately and not exceed 10,000 to 12,000 du the winter, with perhaps 5,000 n during the summer holiday sea Like trains and buses, the Carm does not pay for itself and is sidized by City Hall, with a allocation" from the Tran Ministry. However, it keeps buses off the crowded city and it is therefore worthwhile, said.

Blaustein noted that last year Hall spent IS2m. renovating Carmelit, though he agreed that was hard to believe judging fron present neglected look. He plained that the gloomy d colours were deliberately cho since lighter ones would get d even more quickly.

Wife's access to husband's tax file

By AUGUSTINE ZYCHER
Special to the Jerusalem Post

MK Chaika Grossman (Mapam-Alignment) recently announced that married women would now be able to get details about their husband's income from tax officials.

Last August a law sponsored by her was passed, entitling a woman at any time during her marriage to enquire into her husband's income as recorded in his tax file. However, shortly after the law was passed an internal order was issued in the tax department, interpreting the new law in its narrowest sense. According to the order, a wife was only entitled to know the final figure of her husband's income. She was not to be told the sources of this income or the make-up of the final sum.

Grossman said that after she received complaints from women all over the country, she initiated a meeting with senior tax officials. It was agreed that a new internal order would be issued, calling for the widest interpretation of the law.

Tax Commissioner Dov Neiger confirmed that the new order is now in effect and said that officials had been instructed to reveal both the composition and the sources of a man's income to his wife.

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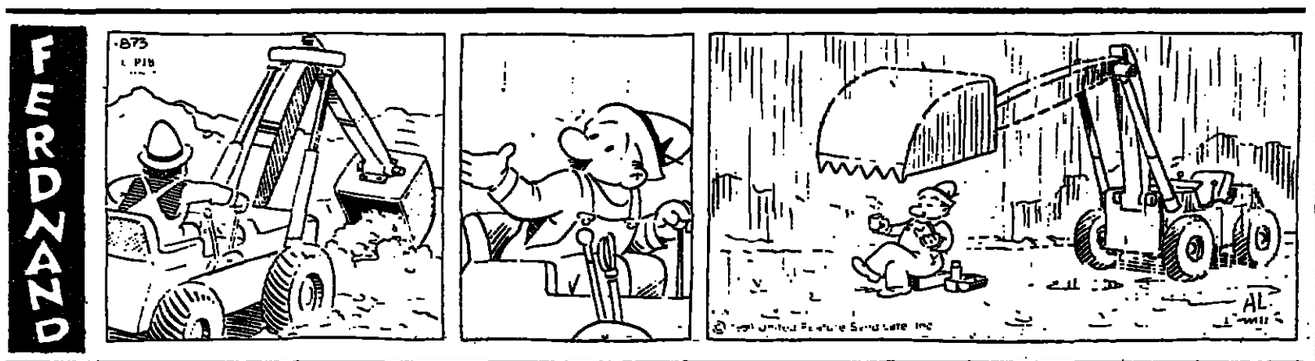


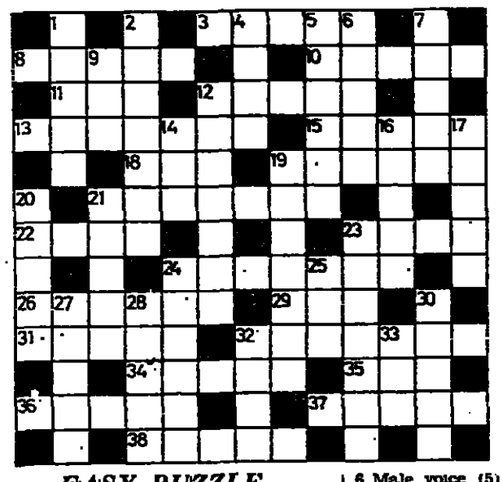
TWO-IN-ONE CROSSWORD

Use the same diagram for either the Cryptic or the Easy puzzle

CRYPTIC PUZZLE

ACROSS
3 By getting an ass out of a chasm (5)
8 Start, but finish! (5)
10 Orpet as a statesman (5)
11 Is no longer a bit of a washout (3)
12 Good man a fair way to the right (5)
13 Do such pilots wear boxing gloves? (7)
15 Tires of arranging ceremonies (5)
18 Almost a new name for an isle (3)
19 Accept no rubbish (6)
21 Girls somewhat enchanting in various ways (7)
22 Name of note on a vehicle (4)
23 Low price for vocal music (4)
24 Vessel for which a doctor has mad greed (7)
26 Birds taking split beer to hearr (6)
29 Champ, etc., in the theatre (3)
31 In which women are centralised? (5)
32 One who sadly makes infantile noises (3, 4)
34 Laws for a Rugby Union man (5)
35 A pound for a vestment (3)
36 Paper animal? (5)
37 Change coins for an offspring (5)
38 A certain amount of potent hooch (5)

DOWN
1 I slew with a machine-gun (5)
2 Bushmen cause them to lose heart (7)
4 Raymond's throaty accent? (4)
5 Has mercy on extras (6)
6 Nice little bar at the end of the line (5)
7 Manages to catch on certain points (5)
9 Shoot into a container? (3)
12 Men fighting to keep trespassers out? (7)
14 The colour of constancy (3)
16 Impatient utterance or teacher (5)
17 Plant suitable for edges (5)
18 Books for people like you (7)
20 Sound way to find how much there is (5)
21 Biscuit; a contribution to life during the war (5)
23 A reverse for the determined defender (7)
24 Hesitate to take a letter, being shy (6)
25 Merry as John (3)
27 Set means of entertainment (5)
28 Hat in which some beetroot can be concealed (5)
30 Holy man, outwardly a boat builder (5)
32 Little money for perfume, we hear (4)
33 The greatest ex-champ? (3)



EASY PUZZLE

ACROSS
3 Ant (5)
8 Fades (5)
10 Planet (5)
11 Sleep, slang (3)
12 Waste-pipe (5)
13 Reste (7)
15 Dog (5)
18 Tear (3)
19 Thoroughfare (6)
21 Narrow channels (7)
22 Misfortunes (4)
23 Object of worship (4)
24 Ropy (7)
26 Flogs (6)
29 Convent woman (3)
31 Hurt (5)
32 Answers back (7)
34 Idled (5)
35 Run (3)
36 Underground vault (5)
37 Grim (5)
38 Shabby (5)

DOWN
1 Breadmaker (5)
2 Bulletins (7)
4 Spoils (4)
5 Makes homeless (6)
6 Male voice (5)
7 Purify (5)
9 Impudence (3)
12 Leaves (7)
14 Knight's title (3)
16 Prepared (5)
17 Country (5)
19 Blotted (7)
20 Large house (5)
21 Cut wildly (5)
23 Base (7)
24 Staid (6)
25 Bolt-fastener (3)
27 Oak fruit (5)
28 Assists (5)
30 Cut of meat (5)
32 Grass (4)
33 Cereal (3)

Yesterday's Cryptic Solution
ACROSS—4, School. 7, (Great) Y-arm-outh. 8, In mind. 10, Nomad. 13, Dr-op. 14, Gear. 15, Deer(dear). 16, Ten. 17, EP-ic. 19, Ma-is. 21, Marmalade. 23, L-is-a. 24, Mine. 26, (The Blue) Max. 27, Tape. 29, P-R-op. 32, Lips. 33, Stone. 34, Asleep. 35, Live wire. 36, Settle.

DOWN—1, Dying. 2, Aroma. 3, Word. 4, Shire. 5, Hump. 6, Ounces. 9, N-orman. 11, O'er. 12, Are-as. 13, De-camp-s. 15, Dim. 16, Tie. 18, P-rai-ie. 20, Adept. 21, MIX. 22, Lie. 23, Lassie. 25, Don. 28, Apple(jack). 30, (Sir) Robin. 31, Peter. 32, Left. 33, Seed.

Yesterday's Easy Solution
ACROSS.—4, Adders. 7, Lucky dip. 8, Ravine. 10, Grebe. 13, Tote. 14, Soda. 15, Cant. 16, Ewe. 17, Reap. 19, Airs. 21, Competing. 23, Tone. 24, Rent. 26, Hid. 27, Rhea. 29, Ears. 32, Aged. 33, Brute. 34, Matter. 35, Overture. 36, Sermon.

DOWN.—1, Clogs. 2, Acted. 3, Tyre. 4, Apron. 5, Dive. 6, Renews. 9, Attain. 11, Roe. 12, Baron. 13, Tapered. 15, Cap. 16, Erg. 18, Emerge. 20, Inter. 21, Cod. 22, Tea. 23, Tirade. 25, Art. 28, Heron. 30, Augur. 31, Sever. 32, Atom. 33, Bore.

Solutions to today's puzzle tomorrow

WHAT'S ON

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Jerusalem

MUSEUMS

Israel Museum. Exhibitions: Permanent collections of Judaica, Art and Archeology; Hebrew Micrography; Visiting Artists; Dada and Surrealism and Their Followers; Asian Art; Selected Objects from Design Dept.; Ruth Zarfati: Sites and Sights in Jerusalem; Dalia Meiri, Israeli sculptress. Clay Figures; Avigdor Steimatsky: Abu Tor, Jerusalem; Ancient Jerusalem and Sacred Places. From Sherd to Vessel, Ancient Arad; Art in Mosaic Jack Larsen, fabrics; Memorial Room for artists who perished in Holocaust (from 12/5). **Visiting Hours:** Main Museum 10-5. Tomorrow 4-10. Shrine of the Book 10-10. At 3.30. Special guided tour of Shrine of the Book (in English). 3.30: "Little House on the Prairie," film. **Guided Tour in English at Israel Museum:** Sun., Mon., Wed., Thur. 11 a.m. Tues. 4.30 p.m.
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Netanya: Luniado (obstetrics, internal, pediatrics, gynecology).
Haifa: Carmel.
Misgav Ladach: Open line 4-6 p.m. every Monday answers to obstetrics, gynecological, sterility and family planning problems. Tel. 02-633356.

FLIGHTS

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(TAPED MESSAGE)
03-295555 (20 lines)

FIRST AID

Magen David Adom first aid centres are open from 8 p.m. to 7 a.m. Emergency home calls by doctors at fixed rates. Sick Fund members should enquire about rebate.
Phone numbers: Jerusalem, Tel Aviv, Haifa — 101. Dan Region (Ramat Gan, Bnei Brak, Givatayim, Kiryat Ono) — 781111.

Ashdod 22222	Nazareth 54333
Ashkelon 23333	Netanya 23333
Bat Yam 835555	Petah Tikva 912333
Beersheba 78333	Rehovot 054-51333
Eilat 2333	Rishon LeZion 942333
Hadera 22333	Safed 30333
Holon 803133	Tiberias 20111
Nahariya 923333	

"Eran" — Mental Health First Aid, Tel.: Jerusalem 669911, Tel Aviv 253311, Haifa 538888, Beersheba 32111, Netanya 35316. Rape Crisis Centre (24 hours), for help call 03-441341. Tel Aviv, 04-88791 Haifa.

POLICE

Dial 100 in most parts of the country. In Tiberias dial 92444, Kiryat Shmona 40444.

SUNSET-SUNRISE

Sunset 18.27; Sunrise tomorrow 04.46

Give Soldiers Lifts

Jerusalem Spring Festival 1981

TODAY May 11
Grand Magic Circus (France)
"Melodies Du Malheur" (French and English)
Jerusalem Theatre, 8.30 p.m.

Actors Touring Company, London
"The Life of Don Quixote"
Khan Theatre, 8.30 p.m.

TOMORROW May 12
Grand Magic Circus
"Melodies Du Malheur" (French and English)
Jerusalem Theatre, 4.30 and 8.30 p.m.

The Theatre Group
"Adam's Purim Party"
Mount Zion Centre, 8.30 p.m.
★ Hurry with ticket purchases for Festival performances.
Only limited number of tickets available.

Tickets: Jerusalem — Jerusalem Theatre, 20 Marcus st. Tel. 667167 from 11 a.m. — 1 p.m., 4 — 8 p.m. and at the Cahana ticket agency, Tel Aviv — at agencies in town.
VISA bank leumi

ENTERTAINMENT

TELEVISION

EDUCATIONAL: 8.10 English 6. 8.30 Special Education: Our Hour 9.00 English 5. 9.20 Geography 6 10.10 Science 5-6 10.30 Programme for Kindergarteners 11.10 English 7 11.30 Geography 7 12.00 English 8 12.25 Citizenship 7-9 12.45 High School Science 13.15 Literature 9-12: Macbeth 15.00 Ma Pitom, English 6 (repeats) 16.00 Pinnocchio (part seven) 17.00 Or Ve'Od — TV game
CHILDREN'S PROGRAMMES:
17.30 3, 4, 5½ — Spring
17.50 Diff'rent Strokes: The Adoption (part two)
18.15 Star Blazers
ARABIC-LANGUAGE programmes:
18.30 News roundup
18.32 Sports
19.27 Programme Trailer
19.30 News
HEBREW PROGRAMMES resume at 20.00 with a news roundup
20.03 That's My Secret — TV game
20.30 Eight Thirty — art and entertainment magazine
21.00 Mabat newsreel
21.30 Special debate following the TV series Pillar of Fire
23.00 Drama: Armchair Theatre
24.00 Almost Midnight
JORDAN TV (unofficial):
17.40 Cartoons 18.00 French Hour 18.30 (ITV 3) Little House on the Prairie. 19.00 News in French 19.30 News in Hebrew 20.00 News in Arabic 20.30 Benson 21.00 Spoils of War 22.00 News in English 22.15 Bestsellers

ON THE AIR

First Programme

6.11 Musical Clock
7.07 (stereo): Morning Concert — Galuppi: Flute Concerto (Rampal); Beethoven: Early Sonata in F Minor (Demus); Mozart: Variations on a French song, for Piano & Violin (Hebler-Szeryng); Schnetz: Psalm
8.05 (stereo): Albeniz: Iberia, Book One (Claudio Arrau); Granados: Tonadillos Caballe); Moszkowski: Spanish Dances op.12; Debussy: Iberia; (Toscanini); De Falla: The Three-Cornered Hat, Suite No.2; Bizet: Suite No.2 from Carmen
10.05 (stereo): Ravel: The Spanish Hour, opera (Ansermet); Albeniz: Iberia, from Book Two (Michel Blok)
11.00 Sephardi songs
11.15 Elementary School Broadcasts
11.30 Education for All
12.05 Noon Concert — Mozart: String Quintet in G Minor, K.516 (Budapest-Trampler); Chopin: Rondo for 2 Pianos; Fauré: Songs (Suzay)
13.00 (stereo): Music by Chabrier, Saraste, Mussorgsky, Liadov, Britten, Stamitz, Mozart — with Leopold Stokowski, Robert Davidovich, Boris Christoff, Tatiana Nikolayeva, Moshe Epstein, Julian Bream, John Danman, Sherill Milnes, Walter Berry
14.10 Children's Programmes
15.30 World of Science
15.55 Notes on a new book
16.05 (stereo): Coffee and Opera
17.35 Programmes for Olim
20.05 Everyman's University
20.35 Reflections on the portion of the week — Prof. Yeshayahu Leibowitz
21.00 Music Magazine
21.35 (stereo): Emanuela Greenberg, piano — Scarlatti: Sonata in D Major; Mozart: Fantasy in C Minor, K.396; Messiaen: Movement from Vingt regards sur l'Enfant Jésus; Beethoven: Six Variations in F Major, op. 34
22.15 (stereo): On Records and Recordings
23.15 (stereo): Recordings from the Jazz Festival in Norway, 1980
00.10 (stereo): Dutch Choirs — Mendelssohn: Te Deum, Lars-Johan Vila; Canzone 126 after Petrarca

Second Programme

6.30 University on the Air — the Talmudic Legend
7.07 "707" — Alex Aaski's morning programme
8.05 IDF Morning newsreel
9.05 Right Now — Yitzhak Ben-Ner's morning show
11.05 Golden Oldies
12.05 Noon Party — music, new flashes
12.45 Quarter to One — current affairs
14.05 Two Hours — music, art, cinema and theatre reviews, interviews, anecdotes
16.05 Four in the Afternoon
17.05 IDF Evening newsreel
18.05 A New Thought — Genetic Engineering
19.05 Needle in a Record Stack — new records and recordings
21.00 Mabat newsreel — radio transmission of the TV newsreel
21.35 University on the Air (repeat)
22.05 Jazz Hour
23.05 Literary magazine (repeat)
00.05 Night Birds — songs, chat with Haim Kenan

Army

6.12 Gymnastics
6.22 Agricultural broadcasts
6.54 Green Light — drivers' corner
7.00 This Morning — news magazine
8.10 All Shades of the Network — morning magazine
12.05 Productive Pace — magazine for workers and employers
12.30 Hebrew songs
13.00 Midday — music, news commentary
14.10 Anything Goes
16.10 Health and Medicine Magazine
17.10 Beautiful Land (repeat)
18.07 Of Men and Figures — economics magazine
18.48 Bible Reading — Ezekiel: introduction
19.00 Today — people and events in the news
20.10 Sabbath songs
22.05 With People — with graphologist Dr. Naftali (part two, repeat)
23.05 The Second Half — women's magazine

CINEMAS

JERUSALEM 4, 7, 9
Eden: Roar of the Dragon; **Edison:** Cra Love; **Habirah:** Raging Bull 4, 6.30, **Kfir:** Ordinary People; **Mitchell:** Th Vulture 7, 9; **Orion:** Terrorist Hunte **Orna:** Seems Like Old Times; **Ros** Elephant Man 4, 7, 9.15; **Semadar:** Fam 7, 9.15; **Binyenei Ha'uma:** Kagemusha **Cinema 1:** Last Waltz 7; Psycho 9.1 **Israel Museum:** Little House on th Prairie 3.30; **Cinematheque:** Avant gard German films 7-midnight.

TEL AVIV 4.30, 7.15, 9.30
Allenby: Producers; **Ben-Yehuda:** Seem Like Old Times; **Chen:** Closed; **Cinem One:** Book of Numbers; **Cinema Tw** Last Metro 7, 9.30; **Dekel:** The Compet tion 7, 9.30; **Drive-In:** Freaky Friday 7.1 Kentucky Fried Movie 9.30; **Esther:** Lo ing Couples; **Gat:** Ordinary People 4.3 6.30, 8.30; **Gordon:** The Thin Line; **Hod** Big Brawl; **Limor:** Everything You Alway Wanted to Know About Sex 4.30, 7, 9.3 **Maxim:** Snooker Festival; **Mograbi:** 9 t 5; **Orly:** Tess 6, 9; **Paris:** The Vulture I 12, 2; 4, 7.15, 9.30; **Peer:** Private Ben jamin; **Ramat Aviv:** Starting over 7.1 9.30; Tues. 4.30, 7.15, 9.30; **Shahaff:** Rag ing Bull 4.15, 7, 9.30; **Studio:** Taxi Drive 4.30, 7, 9.30; **Tchelet:** Coal Miner' Daughter; **Tel Aviv:** Cactus Jack; **Tel Avi Museum:** Confidence; Tues. 4.30 only **Zafon:** Jazz Singer

HAIFA 4, 6.45, 9
Amphitheatre: Big Brawl; **Arzone:** Blac Oak Conspiracy; **Atzmon:** Taxi Driver **Chen:** Jazz Singer; **Gefen:** La Guerre d Police 12, 4, 9. Big Red One 10, 2, 7; **Keren Or:** Tess 6, 9; **Morlah:** Willy an Phil 6.45, 9; **Oren:** Loving Couples **Orion:** Black Emanuel 6 nonstop; **Orly** Elephant Man 6.30, 9; **Peer:** Hair 4 6.30, 9; **Ron:** Private Benjamin; **Shavit** Last Metro 6.45, 9

RAMAT GAN
Armon: Joe the Busybody 4, 7.15, 9.30 **Oasis:** Ordinary People 4, 7, 9.30; **Orden** Big Brawl 4, 7.15, 9.30; **Ramat Gan:** Close Encounters of the Third Kind 7.15, 9.30

HERZLIYA
David: Fame 4, 7, 9.30; **Tiferet:** Brubaker 7.15, 9.30.

PETAH TIKVA
Shalom: The Rose. Mon., Wed. 7, 9.30; Sun., Tues. 9.30

NETANYA
Esther: Dressed to Kill 7, 9.15

RAMAT HASHARON
Star: Flying High 7; Chinatown 9.15

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هكذا من الأصل

ECONOMIC BRIEFS

By MACABEE DEAN
Jerusalem Post Reporter

PROFITS of the Industrial ...lopment Investment Com... a subsidiary of the Industrial ...lopment Bank, rose by 179.8 ...ent in 1980, compared to 1979, ...nd at IS28.7m. The company's ...ce sheet stood at IS95m. on ...mber 31, 1980, compared to ...ı. the year before.

...unt Bank plans to open four ...outlets abroad during the cur... year. The bank has received ...ssion from the authorities to ... a subsidiary in Canada, to be ... Israel Discount Bank of ...ia. At present, Discount has a ...sentative office in Canada, ... will continue to function. The ... also plans to open an agency ...ami (its second one), as well as ... Angeles. It also plans to open ...esentative office in Santiago,

Pia's 14th mutual fund, which is called *Zameret*, was recently set up. The fund will invest in banking shares and index-linked bonds. From December 1976 to December 1980, the yields of the commercial banks were considerably higher than the increase in the cost-of-living index.

Bank Leumi is launching a new provident fund called *Sagi*. Those joining the fund will receive interest on their deposits from the day they are placed in the bank, and at the end of the month the original deposit, plus the interest, will be entered in the provident fund.

Exports of the Kitan Textile complex grew by 73 per cent in 1980, to stand at $29.3m. Total turnover was IS337.4m. in 1980 and the company expects sales to reach IS850m. in the current year.

UNITED MIZRAHI BANK LTD.

Foreign Currency Rates for 11.5.81

...ntry	Currency		Buying (Cheques and transactions)	Selling (Cheques and transactions)	Buying (Banknotes)	Selling (Banknotes)
...A.	Dollar	1	9.8027	9.9013	9.7000	10.0000
...at Britain	Sterling	1	20.6591	20.8669	20.4400	21.0800
...many	Mark	1	4.3432	4.3869	4.3000	4.4300
...nce	Franc	1	1.8303	1.8488	1.8100	1.8700
...land	Gulden	1	3.8992	3.9384	3.8600	3.9800
...tzerland	Franc	1	4.7470	4.7948	4.7000	4.8400
...den	Krona	1	2.0197	2.0400	1.9700	2.0600
...way	Krone	1	1.7467	1.7643	1.7100	1.7800
...nmark	Krone	1	1.3746	1.3884	1.3400	1.4000
...land	Mark	1	2.2892	2.3123	2.2400	2.3400
...ada	Dollar	1	8.1774	8.2596	8.0300	8.3400
...tralia	Dollar	1	11.1956	11.3082	10.6800	11.5200
...th Africa	Rand	1	11.7799	11.8983	9.2400	12.5200
...gium	Franc	10	2.6652	2.6920	2.5800	2.7200
...tria	Schilling	10	6.1872	6.1989	6.0700	6.2800
...y	Lire	1000	8.7135	8.8011	7.6700	8.8900
...an	Yen	1000	44.9665	45.4188	44.5000	45.8700

"Dollar Paz" and "Euro Paz" Buying and Selling rates for 11.5.81

		Buying	Selling
"Dollar Paz"	1 unit	32.6350	32.9653
"Euro Paz"	1 unit	43.8954	44.3369

...terest rates (%) for non-resident deposit ...ccounts (Patach) and Israeli resident deposit accounts (Patam) for 11.5.81

		Patach 3	Patach 6	Patach 12	Patam 3	Patam 6	Patam 12
...A.	Dollar	18⅝	18¼	17⅝	16⅞	17	16⅝
...t Britain	Sterling	12	12¼	12⅝	10½	10⅝	10⅞
...many	Mark	12⅝	12½	12¼	11½	11½	11½
...and	Gulden	11⅛	11½	11½	9¾	10¼	10⅛
...ada	Dollar	17⅞	17⅞	17⅞	16⅝	16½	16
...nce	Franc	15	15⅛	15¼	13⅝	13⅝	13⅞
...zerland	Franc	9¼	9⅛	8⅞	7⅝	7¾	7⅝
...llar Paz"		16	15⅞	15⅝	14½	14½	14½
...ro Paz"		13⅛	13⅛	13	11⅝	11¾	11⅝

UNITED MIZRAHI BANK LTD.

...e Commodity Futures Markets

...MODITY	High	Low	Last	Change on Week
...inium*	641	627	641	+10
...er*	866	847	866	+16
	344	334	344	—5
...*	3085	3005	3085	+25
	6115	5995	6115	+75
	426	343	343	—65
...**	485.75	476.25	485.75	—1.75
...r(°)	553	533	553	+19
...m***	84.68	83.05	84.53	—.95
...e****	1072	1063	1063	—8
...****	181.70	174	181.70	—1.5

...nds Sterling/tonne, 3 month basis. ** Dollars/troy oz. *** Cents/lb., May ...act. **** Pounds Sterling/tonne, May contract. (°) Pence/troy oz.

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Israel business forum in Miami

MIAMI (JTA). — The U.S. Department of Commerce and the Government of Israel Investment Authority are among the sponsors of a special forum to be held here this week that is expected to attract some 150 business leaders considering trade and investment opportunities in Israel.

Speakers at the forum will include former Florida Governor Reuben Askew and David Rotlevy, Economic Minister of Israel to the U.S., along with Avraham Asheri, deputy director-general of Israel's Ministry of Industry, Trade and Tourism, who is currently visiting the U.S.

The forum, entitled "Discover the Land of International Business Opportunities," is one of a number of programmes designed to provide information about Israeli investment opportunities.

Some 150 U.S. companies are engaged in Israeli business ventures, according to Israeli trade officials here. Among them are 30 of the country's largest corporations, as rated in the *Fortune 500* list of the nation's largest industrial companies. They include: International Business Machines, General Telephone and Electronics, Control Data, International Paper, Revlon, American Can Co. and Motorola.

Bank of Israel exchange rates

U.S. dollar	IS 9.8519
British sterling	20.8057
German mark	4.3665
French franc	1.8389
Dutch guilder	3.9262
Swiss franc	4.7848
Swedish krona	2.0308
Norwegian krone	1.7556
Danish krone	1.3800
Finnish mark	2.2997
Canadian dollar	8.2229
Australian dollar	11.2583
South African rand	11.8440
Belgian franc (10)	2.6753
Austrian schilling (10)	*6.1690*
Italian lire (100)	0.8756
Japanese yen (100)	4.5249
Jordanian dinar	30.15
Lebanese lira	2.35

CLASSIFIEDS

DEADLINES Jerusalem: Weekdays: 10 a.m. of day prior to publication. For Friday's paper: 5 p.m. on Wednesday. For Sunday's paper: 3 p.m. on Thursday. Tel Aviv and Haifa: Wednesdays and Fridays: 12 noon two days prior to publication. For Sunday's paper: 12 noon Thursday.
WEEKDAY RATES: Minimum charge of IS80.80 for eight words: IS10.10 for each additional word. FRIDAY AND HOLIDAY EVE RATES: Minimum charge of IS98.40 for eight words: IS12.30 for each additional word. All rates include VAT.
Ads are accepted at all offices of *The Jerusalem Post* (for addresses see masthead on back page) and at all recognized agencies.

DWELLINGS

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בנק אמריקאי ישראלי בע"מ
AMERICAN ISRAEL BANK LTD.

FOREIGN CURRENCY 8.5.81

Wednesday's foreign exchange rates against the Israel Shekel, for U.S. dollar transactions under $3000, and transactions in other currencies under the equivalent of $500.

	Selling	Buying
U.S.$	9.9003	9.8037
DM	4.3865	4.3437
Swiss Fr.	4.8036	4.7568
Sterling	20.8946	20.6907
French Fr.	1.8496	1.8316
Dutch Fl.	3.9389	3.9004
Austrian Sch(10)	6.1819	6.1218
Swedish Kr.	2.0409	2.0210
Danish Kr.	1.3857	1.3722
Norwegian Kr.	1.7663	1.7491
Finnish Mark	2.3132	2.2906
Canadian $	8.2554	8.1749
Rand	11.8972	11.7811
Australian $	11.3047	11.1944
Belgian Fr.(10)	2.6866	2.6604
Yen(100)	4.5453	4.4991
Italian Lire(1000)	8.7925	8.7067

INTERBANK LONDON SPOT RATES:

U.S.$	2.1095/05	per £
Swiss Fr.	2.0645/55	per $
DM	2.2653/63	per $
French Fr.	5.3625/50	per $
Italian Lire	1029.10/50	per $
Dutch Fl.	2.5145/60	per $
Norwegian Kr.	5.8040/60	per $
Danish Kr.	7.1440/55	per $
Yen	218.00/20	per $
Swedish Kr.	4.8490/30	per $

FORWARD RATES:

	1 mon.	3 mos.	6 mos.
$/£	2.1253/273	2.1490/510	2.1790/820
DM/$	2.2489/504	2.2263/278	2.1953/973
Sw.Fr./$	2.0442/462	2.0125/145	1.9710/745

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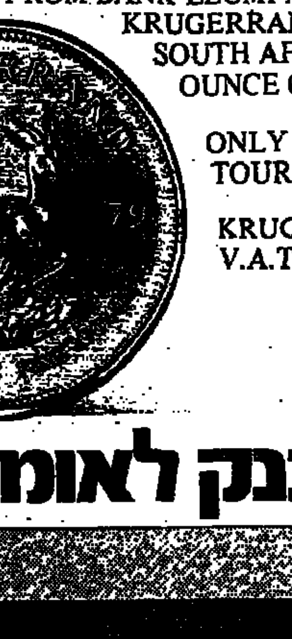

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Tal Aroyo

205 issues down more than 5%

By JOSEPH MORGENSTERN

TEL AVIV. — Investors and speculators alike tried to dump their shares yesterday in what was generally seen as an "unreasonable" reaction to the continuing Lebanese crisis.

Such buying as was in evidence was selective, at best, and at considerably lowered price levels. For 85 issues no buyers could be found and they were registered as "sellers only" and automatically lowered by the mandatory 5 per cent. Another 120 issues traded at prices which were more than 5 per cent lower than they had been at the opening bell.

No sector of trading was immune from the selling wave, as trading volume climbed to just under the IS200 million mark.

Index-linked bonds, by stark comparison, were barely changed. Only the Double-option bonds showed price variations of 1.5 per cent, in either direction.

Among commercial bank shares it was clear that the Big Three banks attracted fresh investment money and advanced by small margins. Others in the group fell, some by broad margins. United Mizrahi was down by more than 9 per cent. Danot 1.0 fell by nearly 8 per cent, while FIBI was falling by 8.1 per cent.

The Tefahot preferred shares were heavy losers among mortgage bank issues. They fell by a full 10 per cent.

Ten per cent losers among insurance equities included Reinsurance, no dividend, Phoenix 0.1 and 0.5, and Sahar. Securitas was unchanged, but the attendant option fell by 20 per cent.

The Delek shares were all down by 10 per cent, as were Supersol B shares.

Among land development and *real estate stocks 10 per cent losers* included Azorim, Africa 0.1 and 1.0, Bayside 0.1, ICP and Neot Aviv. Others in the group fell by smaller margins.

The list of industrials losing 10 per cent included Elbit 3.0, Elron 3, Argaman, Dubek (b), Teva, Zion Cable 1.0, Lodzia 0.1, Galil 3.0, Man 5.0, Dead Sea Works, Paper Mills, Elite, Rim 1.0 and Ta'al (r). Schoellerina 1.0 shares fell by 12.2 per cent, while the attendant option was down by just under 20 per cent.

Tel Aviv Stock Exchange

	Closing price	Volumes IS1,000	Change
Comm. Banks & Bankholding			
IDB prf	9660.0	1.1	+60.0
IDB r	1433.0	400.4	+4.0
IDB B r	1433.0	4.6	+4.0
IDB prf A	2520.0	.8	+10.0
IDB op 5	2440.0	3.3	+10.0
IDB op 6	1910.0	7.0	+10.0
IDB op 7	1948.0	40.2	+8.0
IDB op 8	1890.0	7.8	n.c.
IDB op 9	1185.0	60.4	+10.0
Union r	1035.0	1,072.6	—15.0
Union no div. 80	—	—	—
Union op r	4010.0	4.6	n.c.
Union op r	1970.0	9.7	—30.0
Union op 4 r	950.0	22.6	—13.0
Union op 6	1490.0	94.3	—25.0
Union sc	980.0	.7	—5.0
Union sc8 r	600.0	7.5	—10.0
Discount r	1868.0	50.7	+13.0
Discount A r	1868.0	39.3	+4.0
Discount A sc r	1005.0	135.0	+3.0
Mizrahi r	445.0	2,858.8	—45.0
Mizrahi no div. 80	—	—	—
Mizrahi b	445.0	580.0	—45.0
Mizrahi op 2 r	3518.0	2.7	—412.0
Mizrahi op 3	1340.0	8.8	—150.0
Mizrahi op 8	575.0	171.3	—65.0
Mizrahi sc 4 r	1060.0	10.3	—115.0
Mizrahi sc 5 r	975.0	4.2	—18.0
Mizrahi sc 6 r	750.0	12.9	—40.0
Mizrahi sc 7 r	635.0	82.8	—65.0
Maritime 0.1 r	464.0	s.o.	—24.0
Maritime 0.5 r	481.0	s.o.	—25.0
Hapoalim prf b	d1800.0	5.6	+60.0
Hapoalim r	d1375.0	2,611.8	+5.0
Hapoalim 50% div	d1375.0	317.9	+5.0
Hapoalim b	—	—	—
Hapoalim op 4 r	4725.0	3.4	n.c.
Hapoalim op 5 r	3880.0	10.9	+10.0
Hapoalim op 7 r	2260.0	65.7	—10.0
Hapoalim op 9 r	3333.0	53.2	n.c.
Hapoalim op 10	1682.0	50.4	n.c.
Hapoalim sc 4 r	1496.0	50.8	+5.0
Hapoalim sc 5 r	1045.0	41.4	n.c.
General A	1250.0	238.8	—50.0
General op 6	1060.0	11.7	—90.0
General sc 4 r	760.0	26.0	—85.0
General sc 5 r	208.0	s.o.	—11.0
Leumi	1023.0	1,054.9	+8.0
Leumi dvd. 80	1013.0	366.9	+5.0
Leumi op 2 r	4030.0	18.3	+30.0
Leumi op 3 r	1860.0	4.3	n.c.
Leumi op 10	1750.0	15.6	+20.0
Leumi op 5 r	1930.0	12.2	+10.0
Leumi sc 5 r	833.0	187.1	n.c.
Leumi sc 7 r	1646.0	13.0	+5.0
Leumi sc 8 r	1025.0	5.0	+5.0
Leumi sc 9 r	243.0	516.4	n.c.
OHH r	2330.0	19.3	n.c.
OHH b	2335.0	6.1	n.c.
Danot 1.0	410.0	818.9	—35.0
Danot 5.0	294.0	1,288.3	—15.0
FIBI sc 1 r	1530.0	201.4	—30.0
FIBI r	730.0	537.9	—64.0
Mortgage Banks			
Gen Mtge r	dx689.0	319.8	—15.0
Gen Mtge b	dx699.0	91.5	—15.0
Gen Mtge op 114	3900.0	1.2	—100.0
Gen Mtge op 117	960.0	3.0	—20.0
Gen Mtge 129	1010.0	10.1	—30.0
Gen Mtge db-116	530.0	5.0	—15.0
Carmel r	dx467.0	137.6	—20.0
Carmel b	470.0	3.4	—30.0
Carmel op A	532.0	s.o.	—32.0
Carmel db 10	306.0	s.o.	—16.0
Binyan r	dx392.0	s.o.	—20.0
Binyan & Mtge div 80	—	—	—
Dev & Mtge r	365.0	114.5	—15.0
Dev & Mtge b	380.0	6.4	—10.0
Dev & Mtge op 88	1050.0	.4	—70.0
Dev & Mtge op 95	415.0	10.8	n.c.
Dev & Mtge op 94	398.0	1.0	—5.0
Mishkan r	dx750.0	529.7	n.c.
Mishkan ½ dvd 80	—	—	—
Mishkan b	dx752.0	272.7	n.c.
Mishkan op 2	1680.0	1.5	n.c.
Mishkan op 3	800.0	61.6	—25.0
Tefahot prf r	519.0	6.2	—91.0
Tefahot prf b	531.0	5.0	—103.0
Tefahot r	580.0	29.8	—65.0
Tefahot b	570.0	18.3	—65.0
Merav r	850.0	87.2	n.c.
Merav op	1620.0	46.8	n.c.
Financing Institutions			
Shilton r	140.0	1,200.2	—8.0
Shilton b	280.0	11.0	+19.0
Shilton op A r	192.0	31.7	—20.0
Shilton op B	306.0	18.8	—31.0
Shilton op 5	127.0	s.o.	—10.0
Shilton sc 1	167.0	5.7	—17.0
Shilton sc 2	189.0	8.0	—18.0
Otz. Lataasiya r	970.0	275.3	—20.0
Otz. Lataasiya d 80	960.0	26.0	—20.0
Otz. Lataasiya b	975.0	14.0	—30.0
Otz. Lataasiya op 1	785.0	1.6	n.c.
Ampal r	—	—	—
Agriculture prf A	1071.0	6.6	—119.0
Ind Dev prf r	513.0	18.8	—57.0
Clal Lease 0.1 r	225.0	s.o.	—12.0
Clal Lease 0.5 r	229.0	s.o.	—12.0
Clal Lease op	343.0	s.o.	—24.0
Insurance			
Aryeh r	693.0	s.o.	—36.0
Aryeh op r	3164.0	.3	—200.0
Aryeh sc	339.0	43.8	—20.0
Ararat 0.1 r	1676.0	s.o.	—89.0
Ararat 0.5 r	608.0	s.o.	—32.0
Reinsurance 0.1 r	590.0	2.6	—65.0
Reinsurance 0.5 r	276.0	s.o.	—15.0
Hassneh r	618.0	s.o.	—33.0
Hassneh nd 80	535.0	23.2	—62.0
Hassneh b	605.0	24.4	—50.0
Hassneh op	615.0	13.2	—80.0
Hassneh op 2	435.0	11.0	—23.0
Phoenix 0.1 r	543.0	15.8	—60.0
Phoenix 0.5 r	603.0	8.0	—67.0
Yardenia 0.1 r	488.0	s.o.	—25.0
Yardenia 0.5 r	403.0	s.o.	—22.0
Sahar r	706.0	32.3	—78.0
Sahar b	700.0	1.0	—70.0
Sahar op	706.0	2.8	—50.0
Sahar sc	304.0	38.0	—52.0
Sahar obl.	178.5	s.o.	—9.5
Securitas r	810.0	36.6	n.c.
Securitas op	460.0	101.8	—121.0
Zur r	600.0	37.2	—30.0
Zur b	600.0	9.7	—39.0
Comm. Services & Utilities			
Delek r	614.0	380.6	—68.0
Delek b	618.0	18.6	—69.0
Delek db 2	1166.0	—	—130.0
Cold Store 0.1 r	—	—	—
Cold Store 1	4500.0	.1	—320.0
Cold Store 1.0 r	4372.0	—	+4.0
Cold Store db 2 r	3350.0	.5	—95.0
Isr Electric r	780.0	s.o.	—40.0
Lighterage 0.1 r	6220.0	.1	n.c.
Lighterage 0.5 r	3150.0	7.3	—350.0
Lighterage op 2	3295.0	s.o.	—325.0
Lighterage db 1	2335.0	50.0	—250.0
Rapac 0.1 r	1167.0	s.o.	—61.0
Rapac 0.5 r	617.0	s.o.	—33.0
Supersol A	500.0	60.5	—45.0
Supersol B	626.0	31.9	—70.0
Supersol op	920.0	58.9	—75.0
Land Development Building, Citrus			
Azorim r	x459.0	158.3	—51.0
Azorim op A	1592.0	30.6	—188.0
Azorim op B r	815.0	38.4	—100.0
Azorim db 1	422.0	78.6	—47.0
Africa Isr 0.1 r	2370.0	32.1	—260.0
Africa Isr 1.0 r	2214.0	2.2	—246.0
Africa op 1	1900.0	1.6	—200.0
ILDC r	1300.0	202.0	—65.0
ILDC b	1300.0	29.1	—70.0
ILDC op A r	6700.0	3.7	—50.0
ILDC op B r	2400.0	5.0	—230.0
ILDC op 5	1025.0	83.9	—110.0
ILDC db 2 r	1270.0	1.0	—35.0
ILDC db 3 r	c1380.0	1.7	—120.0
ILDC db 8 r	1570.0	5.8	—100.0
HLB Realty 0.1 r	219.0	25.3	—20.0
HLB Realty 0.5 r	152.0	s.o.	—8.0
HLB Realty op	133.0	s.o.	—7.0
Solel Boneh prf A	9500.0	3.5	—500.0
Solel Boneh prf A	9500.0	.5	—500.0
Prop & Bldg r	840.0	341.7	—70.0
Prop & Bldg op A	2750.0	2.9	n.c.
Prop & Bldg op B	1380.0	8.5	—180.0
Prop & Bldg db 5	1315.0	1.0	—80.0
Bayside 0.1 r	810.0	81.6	—90.0
Bayside 0.5 r	785.0	s.o.	—41.0
Bayside op	882.0	s.o.	—58.0
Ispro r	324.0	s.o.	—17.0
Isras r	3500.0	0.1	—25.0
Mehadrin r	1875.0	4.5	—125.0
ICP r	2620.0	.4	—280.0
Neot Aviv r	792.0	19.2	—88.0
Pri Or r	1187.0	s.o.	—63.0
Caesarea r	425.0	s.o.	—22.0
Caesarea 0.5	390.0	s.o.	—20.0
Caesaria op 1	258.0	s.o.	—20.0
Rassco prf r	1381.0	s.o.	—73.0
Rassco r	1093.0	s.o.	—57.0
Industrials			
Urdan 0.1 r	339.0	24.0	—1.0
Urdan 0.5 r	324.0	40.7	—36.0
Urdan op 2 r	304.0	14.3	—47.0
Elbit 0.1 r	1112.0	19.9	—123.0
Elbit 0.5 r	—	—	—
Alliance r	—	—	—
Elco 0.1 r	1685.0	1.0	+13.0
Elco 0.25 r	515.0	5.4	—30.0
Elco 0.2 b	818.0	7.5	—45.0
Elco op A	645.0	1.0	—75.0
Elco db 1	298.0	5.5	—33.0
Electra 0.1 r	883.0	s.o.	—47.0
Electra 0.5 r	470.0	s.o.	—25.0
Electra db	729.0	7.0	—31.0
Electra db 2	401.0	s.o.	—21.0
Elron 3	2070.0	60.0	—230.0
Elron op A	2778.0	s.o.	—322.0
Argaman prf r	300.0	7.7	—31.0
Argaman prf b	351.0	2.2	—39.0
Argaman r	315.0	31.4	—35.0
Argaman b	320.0	19.0	—30.0
Ata B r	407.0	s.o.	—21.0
Ata C r	218.0	s.o.	—11.0
Ata no dvd.	226.0	s.o.	—12.0
Ata op 3 r	342.0	s.o.	—21.0
Ata db 3 r	240.0	s.o.	—13.0
Dubek prf r	2157.0	s.o.	—113.0
Dubek prf b	2022.0	37.2	—225.0
Fertilizers r	418.0	s.o.	—22.0
Cables r	285.0	s.o.	—15.0
Cables b	280.0	s.o.	—15.0
HaifaChem r	836.0	s.o.	—44.0
HaifaChem no div	817.0	s.o.	—43.0
HaifaChem op 2	1574.0	s.o.	—92.0
HaifaChem db 1	880.0	8.1	—95.0
Teva r	2016.0	91.4	—224.0
Teva b	2088.0	13.4	—232.0
Teva op	4363.0	5.8	—537.0
Teva db 1	740.0	68.8	—82.0
Zion Cables 1.0	387.0	20.7	—43.0
Zion Cables 5.0	300.0	s.o.	—16.0
Zion Cables op 1	248.0	43.6	—46.0
Lodzia 0.1 r	811.0	4.3	—90.0
Lodzia 0.4 r	487.0	297.0	n.c.
Molett B r	1300.0	12.0	+80.0
Galil Ind	313.0	s.o.	—17.0
Galil Ind. 1.0	—	—	—
Galil Ind. 3.0	334.0	61.0	—26.0
Galil Ind.	94.0	s.o.	—26.0
Man 1.0	265.0	s.o.	—14.0
Man 5.0	188.0	100.9	—21.0
Phoenicia prf r	—	—	—
Dead Sea r	1512.0	128.9	—168.0
AIPM r	1395.0	38.3	—155.0
AIPM b	1824.0	25.9	—203.0
AIPM op A r	—	—	—
AIPM db 1 r	—	—	—
Assis r	600.0	9.0	—55.0
Assis db 1	708.0	1.1	—79.0
Petrochem db 1	dx190.0	s.o.	—10.0
Nechushtan b	2103.0	s.o.	—111.0
Elite r	1134.0	92.7	—126.0
Elite op 3 r	1770.0	1.9	n.c.
Elite sc 2 r	814.0	8.0	—91.0
Arad r	1026.0	s.o.	—54.0
Polgat 0.1 r	2060.0	32.2	—200.0
Polgat 0.4 r	1810.0	60.0	—150.0
Polgat op r	2030.0	8.8	—200.0
Polygon r	284.0	s.o.	—15.0
Polygon op 1	219.0	s.o.	—15.0
Rim 0.1 r	756.0	35.3	—84.0
Rim 0.4 r	619.0	s.o.	—33.0
Schoellerina	d380.0	198.4	—53.0
Schoellerina op	332.0	174.0	—80.0
Shemen prf r	10430.0	3.2	n.c.
Taal B r	207.0	368.4	—23.0
Taal B b	236.0	s.o.	—12.0
Frutarom r	253.0	s.o.	—13.0
Investment & Holding Companies			
Unico	670.0	25.3	—75.0
Unico	667.0	13.7	—73.0
Elgar r	2475.0	56.5	—275.0
Elgar b	2421.0	5.9	—269.0
Ellern r	1531.0	s.o.	—81.0
Ellern b	1520.0	s.o.	—80.0
Amissar prf r	638.0	43.1	—71.0
Amissar d	604.0	3.5	—67.0
Amissar op r	552.0	s.o.	—117.0
Central Trade B	x671.0	s.o.	—35.0
Inv Paz r	626.0	s.o.	—33.0
Inv Paz b	642.0	s.o.	—34.0
Wolfson 0.1 r	4599.0	.9	—511.0
Wolfson 1.0 r	993.0	s.o.	—52.0
Wolfson 1.0 b	983.0	s.o.	—52.0
Amp A r	1990.0	3	n.c.
Disc Inv r	614.0	738.6	—68.0
Disc Inv b	614.0	31.2	—68.0
Disc Inv op A r	—	—	—
Disc Inv op B r	857.0	7.6	—103.0
Disc Inv op C r	758.0	s.o.	—102.0
Disc Inv op 1	492.0	44.1	—68.0
Disc Inv op 2	228.0	s.o.	—25.0
Disc Inv db 135 r	465.0	s.o.	n.c.
Hapoalim Inv r	1358.0	134.9	n.c.
Hapoalim Inv b	1396.0	22.3	n.c.
Hapoalim Inv op	2050.0	8.7	n.c.
Leumi Inv r	1000.0	431.9	—30.0
Jordan Explo A r	1053.0	21.3	—117.0
Jordan Explo op r	4750.0	.1	—88.0
Jordan Explo op 2	1175.0	6.7	—60.0
Mizrahi Inv r	2233.0	2.3	n.c.
Mizrahi Inv b	2235.0	1.1	n.c.
Clal Trade r	x351.0	s.o.	—18.0
Clal Trade sc op	1250.0	s.o.	—66.0
Clal Trade sc 1	270.0	24.1	—48.0
Export Inv r	2000.0	.5	+14.0
Export Inv b	1755.0	.3	—196.0
Koor prf r	1430.0	1.2	—1270.0
Clal RE r	359.0	s.o.	—19.0
Clal RE op A r	1668.0	5.3	n.c.
Clal RE db 1 r	337.0	1.2	n.c.
Clal Israel	x700.0	20.4	—78.0
Clal Ind's	x565.0	s.o.	—30.0
Clal Ind's op A r	965.0	s.o.	—80.0
Clal Ind's db 3 r	1009.0	s.o.	—55.0
Landeco r	330.0	204.8	—17.0
Landeco op 1 r	351.0	38.1	—35.0
Oz Inv B r	—	—	—
Oz Inv db r	—	—	—
Pama Inv r	303.0	52.0	—34.0
Piryon Inv B r	—	—	—
Piryon op r	—	—	—
Fuel & Explo.			
Oil Explo Paz r	433.0	128.3	—47.0
Oil Explo Pas	282.0	52.7	—47.0
Pedoil r	752.0	6.6	—88.0
Naphtha r	2170.0	.6	—209.0
Lapidot r	—	—	—
Lapidot b	—	—	—

New listings

Ariedan 0.1	160.5	—	—3.5
Ariedan 0.5	153.0	—	—8.0
Ariedan op. A	100.0	219.03	—15.0
Harel	172.5	—	—9.0
Afik 1	163.0	233.5	—3.0
Afik 5	135.0	464.1	—13.0
Taro Pharm.	250.0	151.9	+10.0

Abbreviations:

s.o.	sellers only	n.c.	no change
b.o.	buyers only	r	registered
d	without dividend	b	bearer
c	without coupon	prf.	preferred
x	without bonus	op.	option
z	without rights	conv.	convertible
s.c.	subordinated capital notes		

Most active stocks

Mizrahi R	445	2858.8	—45
Hapoalim R	1375	2611.8	+5
Union	1035	1072.6	—15
Shares traded		IS187.4m.	
Convertibles		IS10.0m.	
Bonds		IS16.9m.	

New York Stock Exchange

NEW YORK. — The stock market experienced a rather lacklustre session Friday, in what by recent standards would be considered light trading. The DJIA declined 1.99 points, to close at 976.40, which made the total loss for the week 19.19 points. Volume amounted to a shade better than 42 million shares, and breadth was positive, with gainers outpacing losers by a margin of 4 to 3.

Allied Chemical	53⅛	—⅜
Aluminium Co. of America	31½	—⅛
Amerada Hess	33	n.c.
Amer. Tel & Tel	55⅝	+⅜
Bally Manuf.	25⅞	—¼
Black & Decker	18⅛	+⅛
Boeing	32¼	—¾
Canadian Pacific	37¼	—¼
CBS	56¾	—½
Chase Manhattan Bank	47⅝	—¼
Coca-Cola	35⅞	—¼
Colgate Palmolive	16¾	—⅛
Columbia Pictures	39½	+⅛
Combustion Engineering	—	—
Disney, Walt	55	—½
Dome Mines	91⅛	+3⅝
Du Pont I.E.	47⅞	—⅝
Eastman Kodak	75¼	+⅛
Exxon	68	—¾
Gen. Dynamics	32¼	—1⅞
Gen. Electric	63½	—⅛
General Motors	52⅛	—⅛
Gillette	31⅛	—⅛
Goodyear	18⅝	—⅛
Gulf Oil Canada	22¼	+⅞
Hecla Mining	22¾	+¾
Hewlett-Packard	93⅞	+½
Homestake Mining	59½	—2
Houston Oil	32½	+⅜
Hughes Tool	78⅞	—⅜
IBM	57⅛	n.c.
International Paper	44⅝	n.c.
Johns Manville	21⅞	n.c.
Litton Inds.	71⅛	—⅜
Lockheed	33¼	+1⅛
McDermott, J. Ray	32¾	+¾
Minnesota Mining	59⅝	—⅛
National Semiconductor	32½	—⅜
Pittson Co	25½	+¼
RCA	26	—⅜
Ranger Oil	13⅛	n.c.
Revlon	43⅜	—½
Sears Roebuck	18⅞	n.c.
Spectra-Physics	36¼	—¼
Std. Oil Indiana	58⅜	—⅞
Tenneco	—	—
Texaco	—	—
TWA	—	—
Union Carbide	55	+⅛
U.S. Steel	32	+⅛
Westinghouse	32⅜	+⅛
Weyerhaeuser	34⅜	—⅜
Woolworth	24⅜	+⅛
Xerox	57⅛	—⅛
Israeli Shares		
*IDB Ordinary	2⅛	3
*IDB Prefd.	18⅜	19⅝
Alliance Tire & Rubber Co.	12	+⅛
Etz Lavud	7⅝	—½
*Elscint	—	—
*Scitex	24⅜	24⅜
Amer. Isr. Paper Mills	1⅜	n.c.
Elron	11⅛	12¾

*Over the counter bid/asked prices

This selected list courtesy of

ISRAEL DISCOUNT BANK LTD.

Bond prices

100% Linked		
3600	—	—
3602	175.4	n.c.
3604	146.9	n.c.
3606	126.8	n.c.
4% Gov't develop.		
Group 1. Yield:	—1.27	
3001	3312.0	+.01
3007	3060.0	+.01
Group 7. Yield:	—0.59	
3020	2268.0	n.c.
3025	2209.0	n.c.
Defence loan 69.		
34 (Lamed Dalet)	2121.0	—
210 (Reish Yod)		
1% Gov't (80% C-o-L)		
Group 22. Yield:	+0.30	
3101	1713.0	n.c.
3105	1481.0	n.c.
3106	—	—
Group 24. Yield:	+0.55	
3110	1420.0	n.c.
3115	1340.0	n.c.
4% Gov't (80% C-o-L)		
Group 42. Yield:	+0.82	
3210	1111.0	n.c.
3205	1064.0	n.c.
6% Gov't (80% C-o-L)		
Group 52. Yield:	+0.57	
3501	978.6	n.c.
3504	858.1	n.c.
7% Gov't (80% C-o-L)		
Group 62. Yield:	+0.43	
3522	831.4	n.c.
3526	772.9	n.c.
Group 66. Yield:	+0.72	
3534	674.6	n.c.
3541	613.5	n.c.
Group 68. Yield:	+0.83	
3546	571.4	n.c.
3551	540.8	n.c.
Group 70. Yield:	+0.73	
3554	195.9	n.c.
3557	473.4	n.c.
Gov't dble-optn linked		
2001	802.6	n.c.
2015	695.1	n.c.
2033	508.7	n.c.
Dollar denom bonds		
Hollis 15	88.9	n.c.
Hollis 20	74.3	n.c.
Bonds 10% linked to foreign currency		
3.5% Gov't 6026	418.0	—
6% Isr. Electric Corp. B	2612.0	—
5% Dead Sea Works	2262.0	+.03
Bonds 7% linked to foreign currency		
5005	486.0	—

Ari Rath
Editor and
Managing Director

THE JERUSALEM POST

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A deadly chessboard

ALL THAT Israel wants, Deputy Defence Minister Mordechai Zipori said last night, on the eve of U.S. special envoy Philip Habib's arrival in Jerusalem, is the return of the status quo in Lebanon. This, it turns out, is easier said than done.

Israel has been officially reported to be seeing eye-to-eye with the U.S. on the objective of restoring the status quo. But this does not necessarily mean that there also is agreement on policy to achieve it. The failure to distinguish between the two may in part account for Israel's apparent assumption that it had America's backing for the original air action against Syrian helicopters in the Zahle area two weeks ago.

Now government leaders are going out of their way to emphasize that Israel, a sovereign state, is not waiting for any "green light" from Washington before it decides to wipe out the Syrian SAMs, even with U.S.-made aircraft. But the diplomatic restraints that this country has in the meantime imposed upon itself will be difficult to discard in defiance of the Americans.

In part, however, the confusion is due to uncertainty of purpose and strategy in Washington. The Lebanese imbroglio is just the kind of local Arab-Israel dispute that the Reagan administration has been hoping to sidestep in the effort to rally the peoples and states of the Middle East in a united anti-Soviet front.

At first, Secretary of State Haig blasted that Soviet satellite, Syria, for its brutalities in Lebanon, thus giving heart to Israel. Yet now U.S. envoy Habib is seeking, in the best American fashion, to mediate between Damascus and Jerusalem. In fact Washington is bidding Moscow itself to join this enterprise, and thus, by implication, to re-enter the Middle East diplomatic scene. This need not displease the Kremlin very much: it is another feather in their cap, after the lifting of the grain embargo.

The extent to which the latest Syrian moves are dictated, or even advised, by the Soviets, is a matter for conjecture. But it is reasonable to assume that the Syrians feel secure in Soviet support of their ambition to corral Lebanon, even if this leads to war with Israel. The Syrians are reckless: they play host to Mr. Habib, but with deliberate nastiness. In fact they use the occasion to drop a few ground-to-ground missiles on Jounieh.

It cannot have escaped President Assad's notice that the protection of that vital Christian port from Syrian attack was stated by Premier Begin to have been a major reason for Israel's preventive air action.

The Syrians are not entirely thoughtless, however. They must have figured, probably rightly, that in the situation created in Lebanon they can go pretty far without in fact risking much; and that, even if this leads to war, and they lose the campaign, they will still come out the winners politically. As an Israeli scholar has pointed out, the political exchange value of Israel's military victories is currently very low.

If this is so, the overextension of Israel's commitments and resources in aid of Lebanon's Christians seems a dubious display of statesmanship. It will take a great deal of prudence and sagacity for this country to extricate itself from the corner into which it has thus painted itself.

Liberals' last free ride

THE UNIFICATION of the Likud union — in Hebrew, *Likud ha-Likud* — is a slogan almost as old as the 1965 Gahal agreement between Herut and the Liberal Party in which the Likud originated. But the idea behind the slogan has been gathering support the more clearly it transpired that, within the Likud, Herut is virtually everything and the Liberals next to nothing.

To unify the Likud has therefore meant, in effect, making official the disappearance of the Liberals in the smothering embrace of Herut.

It is fitting that this act of political euthanasia should be proudly announced, as it was in Jerusalem yesterday, in the twilight of the Likud's first national administration. For, during these past four years the Liberals, once a major party organization, have, under a nondescript leadership, bankrupted their ideology and spent their political force.

Even in a cabinet not noted for sterling ministerial performance the Liberal quartet of ministers has been below average. Having given up from the start any claim to independence in the shaping of defence and foreign affairs, the Liberals have, eagerly or with trepidation, become fellow travellers in Herut's march of chauvinist nationalism.

Their claim, readily granted by Mr. Begin, to primary responsibility in economic management, *laissez-faire* style, went up in the mushroom cloud of inflation, until they were forced to yield that prerogative to rival Likud factions, first to tiny Rafi and then to Herut. The notion that being Liberal implied a commitment to liberalism, in the sense of respect for individual human rights, and not only the rights of property, has during their governmental stewardship been exposed as a hoax.

Worst of all, their constituency have turned their backs on the Liberals. Were they to run on their own in the coming election, the Liberals would most likely be pulverized. This fact alone argues eloquently for the proposition that it is time to officially disband all Likud factions, recognizing Herut as the ruling party within the Likud — and crowning Menahem Begin, Herut's ancient commander, as uncontested leader of all the Likud.

Should the Likud win a fresh mandate from the electorate, on June 30, Mr. Begin would then be free to choose Likud ministers for the new coalition without hindrance.

Life is not so simple, however. Although most Herutniks will tell you that the Liberals are freeloaders on a grand scale, who ought to be thankful for whatever little favour they are allowed, Premier Begin, a man of honour, will stand by his undertaking to his friend, Reb Simha, or Deputy Premier Ehrlich.

Fighting among themselves for the spoils of imaginary office, the Liberals seem to have taken no account of the sizeable liberal constituency still seeking expression in a sane, independent middle-of-the-road party. Unless the new Likud undergoes a miraculous transformation under Mr. Begin's successor, whoever he turns out to be, this section of the voting public, disenchanted with fly-by-night electoral ventures, will keep wandering in the political wilderness.

Limited options in Lebanon

Unclear policy objectives have forced the Israel Government into an intolerable situation in its confrontation with Damascus over the deployment of Syrian anti-aircraft missiles in Lebanon, writes Post Military Correspondent HIRSH GOODMAN.

ISRAEL has been maneuvered into an unenviable situation in Lebanon. Because of the unequivocal statements by Premier and Defence Minister Menahem Begin the options have been limited to two: It can either launch a military strike against the Syrian SAM anti-aircraft missile sites deployed on Lebanese territory; or else agree to concessions of principle which will allow a diplomatic solution.

The Prime Minister's rhetoric has virtually eliminated any other course which could bring an end to the crisis and yet allow Israel to maintain its credibility.

The original policy goals which have governed Israel's delicate relationship with the Syrians in Lebanon over the past five years, have been clouded by the tense situation. There is now no clear perception of exactly what the country would be going to war about, if a conflict indeed does break out.

So far the Syrians have moved three SAM-6 batteries into Lebanon, each battery having 12 missiles. In addition they have deployed two SAM-3 and one SAM-2 batteries on the Lebanese-Syrian border, backed up by an armoured brigade. Otherwise the Syrian posture in Lebanon remains unchanged from what it was months and even years ago.

During the fighting against Christian forces in Zahle last month five commando units were brought in, but their presence has added little to the main force of 30,000 men backed by 300 tanks and 300 artillery pieces which have formed the backbone of the Syrian "peace-keeping" force since 1976.

The questions to be asked before Israel commits its forces to any battle are: What military threat has been posed to Israel by the SAMs?; what will the impact of such a conflict be on Israel's ultimate policy goals in Lebanon?; what price will Israel have to pay in men and materiel if it resorts to a military option?; how will it affect Israel's international relations?; and what does Syria stand to gain or lose from a direct confrontation?

Somehow, as one reads the headlines and listens to the speeches being made here, a deep sense of confusion at the highest levels of government comes across. Move has been dictated by move, rather than action born out of a strategic concept. As one military observer put it privately last week the situation can best be described as "brinkmanship of the blind."

Israel has a number of objectives in Lebanon. It is of prime importance to ensure that Lebanon does not fall under Syrian hegemony. It is also vital that Israel retains the freedom of action it has enjoyed in dealing with terrorists operating from Lebanon. The fact that 30,000 Syrian troops are tied down in policing actions in Lebanon serves to limit Syria's war option against Israel.

Despite statements that Israel has a moral commitment to the Christians of Lebanon, it should be stated plainly that Israel's vital interests are paramount. A Christian community acquiescent to Syrian hegemony in Lebanon, for example, should not warrant Israeli protection. There are indeed sectors of the Christian community there who feel far closer to the Syrians and the Palestine Liberation Organization than they do to Israel.

For five years the delicate balance of forces and policy goals in Lebanon has been maintained by Israel. Early on it was decided to divorce the issue of support for Major Sa'ad Haddad's Christian forces in southern Lebanon from relations with the Christian Phalangists of the north, a community marked by internal strife. Until last month Israel had never admitted openly that it had any dealings with the Christians of the north. There had been sporadic press reports of this, and in 1978, during a massive Syrian bombardment of Christian enclaves in Beirut, a warning was given by then Defence Minister Ezer Weizman. But there has been no official confirmation from political or military echelons here that Israel has provided support for the Phalangists.

The reasons for divorcing the two issues were clear: Haddad, whose territory is contiguous with Israel, could be easily controlled. He was the sole master of his fiefdom, and the territory under his influence provided a wedge between the terrorist deployment in Lebanon and Israel's northern border.

As regards the Christians fighting in the north, Israel's concern should be only that they serve to tie down the Syrian army. It is debatable whether their fight has preserved Lebanese independence as the Syrians may not have entered Lebanon in the first place had the civil war not broken out.

Perhaps the best way for Israel to achieve a Syrian pullback from Lebanon would be to encourage a cease-fire guaranteed by the international community rather than supply the Christians with unlimited means to perpetuate the conflict.

For five years Israel walked a thin red line in Lebanon. It had a clear and negotiated understanding with the Syrians that their presence would be tolerated only if they confined their military means to those necessary to police the situation; i.e. no airpower; no interference in Israeli action against the terrorists, specifically south of the Zaharani river; that no Syrian anti-aircraft missiles be deployed on Lebanese territory; that Syrian forces do not move south of the Zaharani; that the Syrian policing efforts are directed equally against the Christians and the Palestinians; that the Christian port of Junia remains open; and that the Syrian presence is consistent with the wishes of the elected Lebanese government.

This understanding has now been abrogated. Syria has deployed SAM missiles, and by no stretch of the imagination could Syria's treatment of the terrorists and the Christians be regarded even-handed. But does this warrant an Israeli strike against the Syrians?

Perhaps in terms of Israel's national pride, and credibility.

But it would be prudent to examine why Syria seems bent on conflict and what it hopes to gain.

President Hafez Assad has been faced with growing internal dissension. The Moslem Brotherhood has stepped up its attacks on his regime, causing conflict within the armed forces for one thing. If attacked by Israel, Assad has a fair to good chance of quelling the Brotherhood's activities as the nation unites against the "common enemy." Furthermore, Syria today is isolated in the Arab world. Egypt has signed a peace treaty with Israel, Jordan and Iraq are united in a war against Iran and vehemently anti-Syrian.

An attack by Israel on Syria would place Egypt in an invidious position specifically in view of Egyptian Minister of State for Foreign Affairs Boutros Ghali's reported statement last month that in the event of war between Israel and Syria, Egypt would abide by its commitments to the Arab world.

An outbreak of fighting would help to affirm Assad's claim to being the leader of the Arab world in its fight against the Zionists. Here he is fighting the Israeli's single-handed while Iraq and Jordan are killing brother Moslems in Iran.

A strike by Israel, even limited in nature would, from Assad's viewpoint, mean a formal end to the accepted *status quo* which has limited his ability to defend the terrorists and would pave the way for even a greater Syrian involvement and presence in Lebanon.

The reasons for Assad's obduracy become clearer when one recognizes a number of points: He is not subservient to the foreign policy dictates of the U.S.; he cares little or nothing about the protestations of the democracies of Europe; the Soviets have almost no choice but to allow him freedom of action; and there is little Israel could do about it short of launching a full-scale attack, which Assad considers unlikely on the eve of national elections here.

In the event of conflict Assad could lose several hundred men. He could even lose some planes and ground-radar capability. But he stands to gain much politically.

Israel, on the other hand, stands to gain very little. Perhaps conflict would suit Begin's pre-election image as a man of strong will and determination who has brought Israel both peace and security, but what else? Conflict, even limited conflict, is expensive and is justified only when the gains outweigh the losses and further national goals.

We have yet to hear from any member of government what we can expect to gain. Talk of preventing a "Holocaust of the Lebanese Christians," while commendable in itself, does not seem to reflect reality there.

The Lebanese situation began to deteriorate when a massive clash erupted between the Christians in the north and the Syrians in mid-April. There is still no clear reading of what ignited the fighting. All that is clear is that the amount of misinformation coming out of both Lebanon and Israel far outweighed the facts, and that different people at the decision-making level here had different thoughts about what should be done.

After the massive bombardment of the Christian town of Zahle and sections of Beirut, Israel did little but issue the appropriate warnings to the Syrians to stop. They did not. Israel then announced via an unnamed defence official, speaking to the press, that Israel was giving the Christians the military and other means to defend themselves. Eleven cease-fires broke down in 10 days. The Lebanese government could do nothing to halt the fighting. The Syrians surrounded Zahle, prevented Christian reinforcements from reaching the town, and stepped up its military activity in Beirut. Their artillery bombardments of Christian positions was fierce and merciless.

The facts were confused by contradictory reports, most of which were repeated in Israel as if they were gospel despite the dubiousness of their origin. The Syrians were said to have shelled Junia. This turned out to be incorrect. They were then said to have used Migs to bomb Christian positions. This too was later proved to be false. Christian casualties were grossly exaggerated.

Yet despite the questionable nature of the information coming out of Lebanon, it was seized upon by people here to counsel that Israel take military action to "save" the Christians. In fact what they were counselling between the lines was that events in Lebanon could give Israel the justification needed to hit at the Syrians now that they had problems internally and were isolated in the Arab world. Incidentally the plight of the Christians would be eased.

While Mr. Begin drew on the polemic of a "Christian holocaust" in the making, he was reluctant to commit Israeli forces. The benefits were obscure at best, and the disadvantages too obvious.

But then, on April 26, the Syrians launched an all-out attack on crucial Christian positions on the Sannine range above Zahle, from where they would have enjoyed artillery dominance over Junia, Beirut and Zahle. Israel still did not react. Not until April 28, when the Syrians started using helicopter gunships to help them round off the final stages of the attack. A decision was taken to shoot the helicopters down. The cabinet had sanctioned the first direct confrontation between Syrian and Israeli forces in Lebanon.

What makes the entire scenario strange is that the decision to shoot down the helicopters was taken *after* the Sannine range had, to all intents and purposes, fallen to the Syrians. Thus claims that Israel had acted to save the Christians seem to have been made in retrospect. The helicopters were shot down because they constituted a flagrant violation of the Syrian-Israel *modus vivendi* in Lebanon, and only incidentally because the Syrians were threatening to wipe out the last vestige of strategic Christian control over the crucial Beka'a valley.

It was clear here at the time Israel's shooting down of the helicopters must lead to a Syrian reaction, and the placement of SAM missiles in Lebanon could have come as a surprise to those charged with providing the government with intelligence estimates.

Surely it must have been expected that the Syrians would accept Israel's action with equanimity. Also, it might have been foreseen that the U.S. would try to defuse the crisis through diplomatic means, even only as an American avenue of conciliation with Assad. Why then embark on a course which does not seem to follow a logical progression as far as Israeli interests are concerned?

Going into action against the Syrians now, two weeks after the missiles were introduced into Lebanon, is obviously a very complicated matter. Any Israeli action will now have to take the recently deployed Syrian forces into account, increasing not only the probability of Israeli casualties, but the scope of the conflict as well.

Mr. Begin's unequivocal statements that either the Syrians pull back their missiles or Israel might force are being made despite a changing reality. Perhaps, now that they have bolstered their forces, conflict is precisely what the Syrians want. If not how does one explain their obduracy in refusing to explore a diplomatic solution.

Conversely, how long can Israel go on threatening to use force without doing so, and yet maintain its credibility?

And if it does use force prematurely, that is before the Americans are satisfied that all avenues of conciliation have been closed, what will be the effect on Israeli-American relations?

If Israel is to act effectively against the Syrians surprise is of the essence. And how is one to achieve surprise while bound to a diplomatic process over which it has no control, and which one cannot disregard because of the American involvement? And how long can Israel sit and disregard the Syrian defensive deployment aimed at making a military option more complicated?

Only when all the facts are available will one be able to assess accurately what has made the Begin government act the way it has. From the data available the handling of the issue seems to have been dictated by unclear advice on how to attain unclear objectives.

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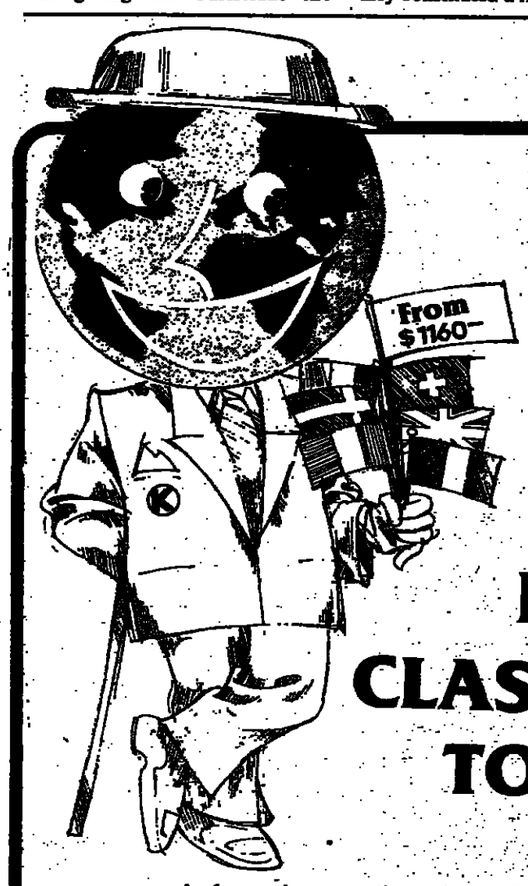

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